

## COUNCIL OF STATES

Friday, 19th December 1952

The Council met at a quarter to eleven of the clock, MR. CHAIRMAN in the Chair.

### SHORT NOTICE QUESTION AND ANSWER

#### DISTURBANCES IN ANDHRA SECTION • OF SOUTHERN RAILWAY

19. SHRI T. S. PATTABIRAMAN : Will the Minister for RAILWAYS be pleased to state :

(a) Whether it is a fact that serious disturbance has broken out on all railway stations in the Andhra Section of Southern Railway ;

(b) whether considerable damage has been caused to railway property and if so, what is the extent of damage ; and

(c) whether through running of trains has been suspended in that section ?

THE MINISTER FOR PARLIAMENTARY AFFAIRS (SHRI SATYANARAYAN SINHA) : (a), (b) and (c). Trouble in sporadic form started on the 8th instant, with demonstrations at a number of railway stations, such as Guntur, Narasapur, Tadepalli, Muddanuru, Palakol. The mobs principally of students held up trains by standing on the track and pulling up alarm chains.

The position deteriorated further on the 13th and the 14th, particularly on the Bezwada-Rajahmundry Section. In almost all the cases, trains had to run non-vacuum, as the demonstrators after stopping the trains uncoupled the hose-pipes and removed all rubber washers. This necessitated severe speed restrictions being imposed, with the result that goods trains had to be stabled, and the passenger trains reached Bezwada or Raiahmundry

At Bezwada on 15th December 1952. after about 6-30 P.M., the public mobbed the station and did not let the Delhi bound Grand Trunk Express proceed and extended their activities to station office, and the carriages. They forced the Railway staff out from their places of work and did not allow any work to be done or trains to pass for about 24 hours.

The disturbances reached the climax on the 16th. At about 9-30 A.M., the mob went into the Control Office and the office of the Assistant Transportation Superintendent, Movement, and stopped the staff from working. Goods sheds, parcel offices, etc, were looted. Section 144 C.P.C has been promulgated and the situation is reported to be under control. The Grand Trunk Express mentioned earlier left at about 7-30 P.M. on the 17th.

At Anakappalle wagons were looted, cabins were set on fire and the track was interfered with. The police had to open fire and a few casualties have been reported.

At Nellore one passenger bogie coach was set on fire. Rails on Pen-nar bridge were removed. They have since been restored by the Railway.

At Bhimavaram, level crossing gates were smashed ; telegraph, signal and electric wires were cut ; windows and name board were smashed ; the pumping engine was slightly damaged ; the overhead water tank was emptied ; and passenger vehicles were damaged.

At Guntur, the goods shed and the parcel office were looted and damage to railway property was caused. The position is improving and is under control.

At Godavari, the mob attempted to set fire to the station building. The Police had to open fire. Casualties are not known.

track. Track keys were removed for about three-fourth of a mile.

At Waltair, heavy damages were caused to track and Railway equipment and Loco Shed stores were damaged. D.T.S.'s office and control offices were mobbed twice. Control and telephone Wires were cut. Interlocking gears of cabins were tampered with. Signal lamps and wheels were broken. Canteen stores were looted. A Railway officer on his way to the Loco Shed was lifted in a truck and left a couple of miles away.

Arson, looting at stations and from loaded wagons, damage to railway equipments such as signals and track, interference with rolling stock and telegraph wires on varying scale were indulged in at many other stations such as Pithapuram, Kowur, Tadepalligu-dam, Tenali, Tanuku, Palakol, Gudivada, Palasa and also on the branch lines connecting with the North-East main line.

*Train services (Southern Railway).—*■ Train services were disrupted badly on the North-East Line between Bezwada and Waltair and also on its branches. The Calcutta Mail ex-Madras on the 15th was held up at Tenali, but after some difficulty it was taken to Bezwada and had to be brought back to Madras. The Calcutta Mail due in Madras on the 16th was held up at Bezwada and was diverted *via* Kazipet, Wadi and Raichur. On the 16th the Grand Trunk Expresses were diverted *via* Raichur, Wadi, Secunderabad and Balharshah.

*Train services (Eastern Railway).—* There was considerable dislocation of train services on the Waltair-Cuttack section also. The Puri Passenger was cancelled, the Khurda Road-Waltair passenger trains were cancelled between Waltair and Berhampur; the Calcutta-Madras Mail and Janata Express, which left Calcutta on the 16th were terminated at Berhampur and Khurda Road respectively and their rakes were

trains. The running of through trains from Madras towards Calcutta was suspended or inordinately delayed.

*General remarks.*—The morale of the staff is reported to have remained satisfactory. No injuries to any staff have so far been reported. Owing to the local officers and staff being fully occupied with the emergency, it has not been possible to make a reasonable assessment of the extent of damages to the railway and public property. At a very rough estimate, it may be anything up to Rs. 50 lakhs. Very close liaison is being maintained between the Railway Administrations, the local Government and the local and Railway Police. The Eastern Railway has been able to depute 200 Watch, and Ward staff in the affected areas to assist the Police. Protection of vulnerable points according to the schemes to be enforced in emergencies has been taken in hand and patrolling of the affected areas by trains and otherwise has been introduced. Special trains were run to carry armed Police from Madras to Bezwada and Bezwada to Godavari. The position is reported to be under control and coming back to normal. It is hoped that with effect from the 19th instant some of the important through trains, viz., Madras-Calcutta Mails, Grand Trunk Expresses and the Madras-Puri Passengers will resume running by the normal routes. These trains will carry armed escorts.

SHRI T. S. PATTABIRAMAN : May I know how much foodgrain was lost in the looting ?

SHRI LAL BAHADUR : About 2,000 bags.

SHRI T. S. PATTABIRAMAN : May I know whether it is a fact that a political party which has violence as its creed went on carrying en propaganda at Bezwada, shouting in the streets to loot railway stations, and that looting of the wagons was carried on systematically by them, the loot being carried in lorries ?

SHRI LAL BAHADUR : We have received no official report on these

SHRI G. RAJAGOPALAN : Is the Government aware that the District Superintendent of Police and two lorryloads of armed police were within 20 yards of Vijayawada railway station when the looting was going on ?

SHRI LAL BAHADUR : It hardly concerns us. It concerns the State Government, and we have not heard so far from the Madras Government about how the situation worsened there and took this turn.

SHRI GOVINDA REDDY : Is it a fact that kidnapping took place in the houses of railway staff in some of these stations ?

SHRI LAL BAHADUR : We are not aware.

SHRI K. L. NARASIMHAM : Is it a fact that this situation arose because of the policy of the Government of India in not conceding the demand of the Andhra people for an Andhra State ?

MR. CHAIRMAN : This is a matter about disturbances on railways. We are not concerned about the causes which led to those disturbances.

SHRI N. SANJIVA REDDY : Is it not a fact that some big officers were locked in in their rooms in Rajahmundry station ? We read that in the papers.

SHRI LAL BAHADUR : Yes, Sir. That is somewhat correct. In fact they were asked to clear out and most of them had to go away from the station.

SHRI T. S. PATTABIRAMAN : Is it not a fact that the Students Federation which is affiliated to a political body carried on and led the agitation on Vijayawada railway station ?

SHRI LAL BAHADUR : We will have to wait for the report from the Madras Government. It is just possible that what the hon. Member

SHRI K. L. NARASIMHAM : Is it not a fact that one pointsman in Nellore was beaten by the Police ?

SHRI LAL BAHADUR : I think he may have been beaten by the demonstrators.

SHRI P.-SUNDARAYYA : Is it not a fact that the pointsman was shot dead by the Police in Nellore ?

MR. CHAIRMAN : From 'beaten' it is coming to 'shot dead'.

SHRI LAL BAHADUR : If he got into the crowds, he might have been.

SHRI B. RATH : It is a fact that certain interested sections in the country are trying to cook up stories and manage it in such a way as to create the impression that the Communist Party and Students' Federation and Kisan Sabhas, they are all behind these disturbances.

MR. CHAIRMAN : All right. I don't think that they have any more reasonable questions.

Now, so far as No. 2 Short Notice Question is concerned, I have just heard from the Prime Minister that he will come here in the afternoon—after lunch—to make a statement on the Andhra issue.

### LEAVE OF ABSENCE TO MEMBERS

I. SHRI K. L. SHRIMALI. II. DR. MURARI LAL.

MR. CHAIRMAN : I have to inform hon. Members that the following letter has been received from Shri K. L. Shrimali :

" As I have been busy with the work of the Secondary Education Commission, I regret I have not been able to attend any meetings of the Council of States during this session. I shall, therefore, feel grateful if you will kindly grant me leave for the days I have been absent

Is it the pleasure of the Council that permission be granted to Shri K. L. Shrimali for remaining absent from all meetings of the Council during the session ?

(No hon. Member dissented?)

MR. CHAIRMAN : Permission to remain absent is granted.

I have received a letter from Dr. Murari Lai, which reads as follows :

"I had reached New Delhi to attend the current session of the House on 21st November, and had attended it on the opening day, i.e., 24th November 1952. The same evening, however, I had a sudden attack of spasmodic trouble of the abdomen and palpitation of the heart and was consequently confined to bed for several days at New Delhi. Owing to the difficulty of receiving adequate nursing and care and medical facilities at my residence there, I had to return to Kanpur on the 2nd December 1952. I am improving here but it is not likely that I shall be fit enough to attend the present session again. I, therefore, request you to please excuse my absence for the rest of the session."

Is it the pleasure of the Council that permission be granted to Dr. Murari Lai for remaining absent from all meetings of the Council after the 24th November 1952, during this session ?

(No hon. Member dissented.)

MR. CHAIRMAN : Permission to remain absent is granted.

**ALLOTMENT OF TIME FOR  
CONSIDERATION OF THE AP-  
PROPRIATION (No. 3) BILL, 1952**

MR. CHAIRMAN : In accordance with sub-rule (2) of rule 162 of the Rules of Procedure and Conduct of Business in the Council of States, I have allotted two hours for the completion of all sages involved in the consideration of the Bill.

**PAPERS LAID ON THE TABLE**

**STATEMENT SHOWING ACTION TAKEN BY  
THE GOVERNMENT ON ASSURANCES,  
PROMISES AND UNDERTAKING GIVEN  
DURING THE SESSION (MAY-AUGUST),  
1952.**

THE MINISTER FOR PARLIAMENTARY AFFAIRS (SHRI SATYANARAYAN SINHA) : Sir, I beg to lay on the Table a copy of the Supplementary Statement No. 1 showing the action taken by the Government on the assurances, promises and undertakings given by the Ministers during the First Session (May-August) 1952, of the Council of States. [See Appendix III, Annexure No. 98.]

**STATEMENT SHOWING ACTION TAKEN BY  
THE GOVERNMENT ON ASSURANCE  
GIVEN BY COMMERCE MINISTER IN  
PROVISIONAL PARLIAMENT. \***

THE MINISTER FOR PARLIAMENTARY AFFAIRS (SHRI SATYANARAYAN SINHA) : Sir, I beg to lay on the Table a copy of a statement showing action taken by the Government on an assurance given by the Minister for Commerce and Industry during the course of discussion in the Provisional Parliament on the 7th June 1951, on the Resolution regarding the continuance for a further period of one year of powers of Parliament to make laws with respect to (1) trade and commerce within the State, and (2) production, supply and distribution of goods. [See Appendix III, Annexure No. 94.]

PROF. G. RANGA (Madras) : Why has it taken one year and six months for the Minister to do this ?

SHRI SATYANARAYAN SINHA : Because the Provisional Parliament was dissolved and there were new elections and all sorts of things.

PROF. G. RANGA : Therefore the Industry and Commerce Ministry has gone to sleep !

MR. CHAIRMAN : The Industry and Commerce Ministry was hnsv

**THE CONSTITUTION (SECOND AMENDMENT) BILL, 1952**

MR. CHAIRMAN : Mr. Biswas to move the Constitution (Second Amendment) Bill, 1952.

THE MINISTER FOR LAW AND MINORITY AFFAIRS (SHRI C. C. BISWAS) : Sir, I beg to move :

That the Bill further to amend the Constitution of India, as passed by the House of the People, be taken into consideration.

Sir, copies of the Bill have been in the hands of hon. Members for some time and it is a source of some satisfaction that no notice of amendments has so far been given.

MR. CHAIRMAN : They are very reasonable on this side.

SHRI C. C. BISWAS : I hope, Sir, that reasonableness will continue to be manifested. Sir, this is a simple measure and should not excite any suspicions or any apprehensions in the minds of my hon. friends. Before the meeting began, I suggested to my hon. friend, Prof. Ranga, that this might be treated as a non-political measure, and his answer was: "You are going to restrict, the number of Members of this House and how do you expect that this should be a non-political measure?" Sir, I may assure my hon. friends that there is no desire on the part of Government in introducing this Bill to strike a blow at democracy. As a matter of fact, Sir, the House now consists of 500 Members. I think, Sir, 500 is an ideal number for any legislature. I see 500 is the number which we have in this House and I suggest .....

SHRI B. C. GHOSE (West Bengal) : Not in this House. In the other House.

SHRI C. C. BISWAS : I mean in the House of the People, This is the Upper House. and of course the number here is much less. That is obvious, and is supposed to, and I hope it does consist of what may be described as elderly statesmen—although some of us sometimes behave in a way which does not justify that description!

SHRI B. C. GHOSE : That is not fair, Sir.

MR. CHAIRMAN : We are elderly, though not in age.

SHRI C. C. BISWAS : I do hope, Sir, that is so. Anyway, Sir, we are concerned in this amending Bill with the House of the People and that is why I was referring to the composition of that House. Now, 500 is the number we have in the House of the People, and that I suggest is a reasonable number having regard to all considerations. It is neither too unwieldy, nor too little representative. We have got to reconcile both these points of view. More than 500 would make it too large a House. It is not quantity but quality that matters. If you look at the opinion of Dr. Paranjape which has been circulated along with .....

SHRI ABDUL RAZAK (Travancore-Cochin) : May I know who is that Dr. Paranjape?

SHRI H. P. SAKSENA (Uttar Pradesh): Former Vice-Chancellor of the Lucknow University.

SHRI B. RATH (Orissa) : Read the opinion of Mr. N. M. Joshi.

SHRI C. C. BISWAS : Well, I have read all the opinions and I was only referring to the opinion which supports my point of view, naturally. Of course it will be my duty to answer the criticism that may be levelled. Sir, as a matter of fact, suppose there, is a very large number of Members, that does not necessarily add to the value or the quality of the debate. It is only a few Members generally who carry on the debate and make their contributions to the proceedings of the legislature. That is common experience.

KHWAJA INAIT ULLAH (Bihar) : Let the others go."

SHRI B. RATH : Question.

MR. CHAIRMAN : Mr. Rath says that he is one of those few.

SHRI C. C. BISWAS : I am not suggesting that his contributions are not of the highest quality ; possibly so, and I hope that the same applies to the contributions made by all hon. Members. However, there are other questions. We all know that even in a small House like the Council of States, many Members complain that they do not get a chance to speak. Suppose this House is ten times as large, how many Members would have the chance to speak ?

SHRI RAJAGOPAL NAIDU (Madras): Ask the ancient Greeks.

SHRI ABDUL RAZAK : Does not the hon. Minister think that a sub-federation would solve this difficulty ?

MR. CHAIRMAN : You may get along.

SHRI C. C. BISWAS : What I suggest is that there is no amendment to sub-clause (a) of article 81(1) which deals with the question of the numerical strength of the House of the People, and although this question has been raised, I submit this is not quite relevant to the Bill which is now before the House. We are concerned with an amendment to sub-clause (b) of article 81 (1), which deals first with the division of each State into territorial constituencies and then with the number of members to be allotted to each such constituency. Now, before I deal with this sub-clause, I will refer to the provision of article 387 of the Constitution. I should perhaps refer to article 327 first. This says :

"Subject to the provisions of this Constitution, Parliament may from time to time by law make provision with respect to all matters relating to, or in connection with, elections to either House of Parliament or to the House or either House of the Legislature of a State including the preparation of electoral rolls, the delimitation of constituencies and all other matters necessary for securing the due constitution of such House or Houses."

Now, in exercise of the power conferred by this article, Parliament did enact the Representation of the People Act, 1950 and the Representation of the People Act, 1951. The provisions

of these two enactments applied to the general elections which were held last year. Now it is necessary to make new provisions in certain respects as regards future elections. You might legitimately ask: "Why begin so early ? The next elections will take place five years hence. Why bother about these things now ?" The answer is furnished by article 387 of the Constitution which shows that the delimitation of constituencies which was made last time would remain in force only up to the end of the third year from the commencement of the Constitution. In other words, they would remain in force only till the 26th January 1953. Suppose, Sir, there has to be a general election for the Legislative Assembly of any State, if not for Parliament, then the existing delimitation will not do. It will not be correct to hold the election on the basis of constituencies as at present delimited. So, we have got to keep ready for any contingencies, for any eventualities, that might arise. That is why Government are anxious to take in hand all the preliminary steps which are necessary for the purpose of carving out new constituencies. For that purpose, the first thing to determine would be the total number of seats to be allotted to the different States, and then we have got to find out the number of constituencies into which the States should be divided and then we have got to find out the number of seats to be allotted to each such constituency. For that purpose, the basis on which the Constitution requires us to proceed is the population as determined at the last census. Now, for the last general elections, the figures of the previous census which had taken place in 1941 were out of date. Therefore the Constitution itself provided that for the purpose of those elections, an estimate of population will be made by order of the President. That was done and the last general elections were held not on the basis of actual population as determined at the 1941 census but on certain notional estimates made in terms of article 387 of the Constitution. This article reads :

"For the purposes of elections held under any of the provisions of this Constitution

during a period of three years from the commencement of this Constitution, the population of India or of any part thereof may, notwithstanding anything in this Constitution, be determined in such manner as the President may by order direct, and different provisions may be made for different States and for different purposes by such order."

If you now turn to the Election Manual, you will find the Constitution (Determination of Population) Order at p. 41. Then you find the Representation of the People Act, 1950, which contains provisions for orders to be made by the President for formation of constituencies and the allotment of seats. Section 13 lays down the procedure for making these orders regarding delimitation of constituencies. First of all, the Speaker was to set up Advisory Committees for the different States. These Advisory Committees were to formulate proposals in consultation with the Election Commission, or rather I should say the Election Commission was required, in consultation with the members of the Advisory Committees in the different States, to formulate such proposals as to delimitation. Well that was done. These proposals were based on tentative proposals previously obtained from the State Governments—the proposals so formulated were then placed before the President, and issued as President's Orders. Then they came before Parliament, as Parliament had the last say in the matter. When the matter came before Parliament, the proposals which had been accepted by the Advisory Committees in consultation with the Election Commission and which were later embodied in the President's Orders were simply torn to pieces. As a matter of fact—well, it may be a hard thing to say—I was not here but the reports show that there was a lot of gerrymandering, and that it was the interests of individual members which influenced the whole thing rather than the general interests.

SHRI B. C. GHOSE : There was only one party then.

KHWAJA INAIT ULLAH : There were other parties there also.

SHRI C. C. BISWAS : There might have been other parties or there might have been one party only, I do not know as I was not there, but that is the report we have received.

When I deal with the Delimitation Bill here after, it has been passed by the other House, I shall go more fully into this matter, but for the present I may point out that what we now propose to do is to amend article 81 (1) (b) only for the purpose of determining the extent of representation of the various constituencies with reference to population. If you turn to another clause of article 81, you will find it is laid down that the ratio between the number of members allotted to each territorial constituency and the population of that constituency as ascertained at the last preceding census of which the relevant figures have been published, shall so far as practicable, be the same throughout the territory of India. That means that assuming the total number of members in the House is fixed, if you know what the total population of the country is and you also know the total number of members, and then you divide the one by the other—the population figure by the number of members—you get an average of the population which a Member may represent in the House. Last time the average was 7-2 lakhs per Member.

KHWAJA INAIT ULLAH : Is it for the House of the People ?

SHRI C. C. BISWAS : It deals only with the House of the People. I am now leaving out the case of the Legislative Assemblies. That will be relevant when I deal with the Delimitation Bill. Now if you turn to article 81 (1) (b) you find it lays down :

"The States shall be divided, grouped or farmed into territorial constituencies and the number of members to be allotted to each such constituency shall be so determined as to ensure that there shall be not less than one member for every 750,000 of the population and not more than one member for every 500,000 of the population."

[Shri C. C. Biswas.]

In other words for allotting the number of seats to a constituency you have to work between these two limits. The lower limit is 5 lakhs and the upper limit 7½ lakhs. There is a misconception regarding the significance of the lower limit. Listening to the speeches in the other House I find that some Members were labouring under a misconception that if any constituency contains less than 5 lakhs, it would go unrepresented, and not get a single seat. That is not correct. This only means that if you have a population of 5 lakhs you cannot claim more than one seat. That is all. The upper limit is 7½ lakhs, which means that you cannot have less than one member for every 7½ lakhs. Now, therefore, in carving out the constituencies last time, care had to be taken to limit the representation in such a way that the population of any constituency did not exceed 7½ lakhs. The average as I said was 7•2 lakhs. Now we might retain these two limits so long the average did not exceed the maximum of 7½ lakhs. But last time though 7•2 was the average there were just a few cases where the population was found to be more than 7½ lakhs when the first tentative delimitation was made. As the average was 7•2 lakhs, it was but natural that some constituencies might go beyond 7½ lakhs, and others would be below the limit.

Since the last elections were held on the basis of the estimates under the President's Orders, the 1951 Census has taken place, and we have now got actual population figures for the different parts of the country. Now these represent an excess over the President's figures. Therefore it became necessary to readjust the constituencies and to reconsider the question of these lower and upper limits laid down in sub-clause (b). It was suggested in the other House that when 7½ lakhs is the upper limit, that may be still retained and the constituencies formed within this limit, as in spite of the increase in population the average would not exceed this figure. Well,

this is true, as the population according to the 1951 census is only 361 millions. If we were writing on a clean slate, if you divide that figure by 500 you get an average below 7•5 lakhs, but that will not do, because you can't still avoid the possibility of some constituencies exceeding 7½ lakhs. Even working on the basis of the President's estimates, it was found by actual experience that in some cases the limit was exceeded. That made it necessary to issue revised President's Orders to keep within the limit. So the chances of exceeding the limit will be much greater now, working upon the basis of the higher population figures. That is why originally when the Bill was introduced, the limit was raised from 7½ to 8½ lakhs. When the matter came before the Select Committee, they thought that the upper limit need not be there at all, because if you make it 8½ lakhs now, within 10 years when the next census takes place we may have to raise it further. So it would be much better to do away with the upper limit, and only retain the lower limit of 5 lakhs. In practice, however, in making his proposals for delimitation the Election Commissioner would try his best not to exceed 7½ lakhs in the case of any constituency. If you read the Report of the Select Committee, you will find that clearly stated. Although they do away with the upper limit, they say at the same time :

"The Committee wishes to record that the upper limit of one member for every 7½ lakhs<sup>^</sup> of population should not, as far as practicable, be exceeded."

So, Sir, in working out the new proposal every attempt will be made to keep within the limit of 7½ lakhs. But lest the limit should be exceeded, it is much better not to retain the upper limit at all. That was the idea. The Report of the Select Committee in one paragraph succinctly sets out the reasons for making this amendment. The Select Committee explored the possibility of avoiding any amendment in spite of the increase of

the population, and they found that though theoretically it might be possible to readjust the existing constituencies within the existing limits, still in giving effect to this theoretical adjustment you might have to disturb administrative units. They were of opinion that the end should be not to disturb administrative units, if you can help it. But to keep within the existing limits, you may have to cut up many of these units, and that will introduce all sorts of complications. Therefore, they felt they had to do something with regard to the matter. Further although the amendment proposed in the Bill might perhaps solve the immediate difficulty, that is to say, by raising the upper limit above 7-5 lakhs, it was desirable to avoid the necessity of amending the article periodically after every census, and that is why they did away with the upper limit.

They expressed the hope all the same and we can give the assurance that we shall endeavour to work in such a way as not to falsify this hope—that in point of fact the upper limit of one member for 7-5 lakhs should not be exceeded. That is how the matter stands. Every attempt will be made to keep within the existing limits as far as possible, and there need not be any apprehension that the existing number of seats in the various States will be materially altered. There might be changes here and there possibly. I have worked out the figures on the basis of this 1951 census to see how the number of seats will be affected in the different constituencies taking the average of population for members at 7-2, 7-3, 7-4 and 7-5 lakhs and there need be no fear of any revolutionary changes.

SHRI B. RATH : It is not revolutionary, but reactionary.

MR. CHAIRMAN : It is not. We do not apprehend any such thing from this side. It is reactionary.

Motion moved :

That the Bill further to amend the Constitution of India, as passed by the House of the People, be taken into consideration.

SHRI P. SUNDARAYYA (Madras) : Sir, I oppose the Bill for a number of reasons. The first reason is that the Government brings Bills without proper thinking whether any such Bill is necessary or not. As the hon. Minister himself explained just now, our population is 300 millions and even according to the present Constitution, the average number of the people of a constituency would come to 7-2 lakhs, whereas the Constitution allows the upper limit as 7-5 lakhs, which means that till our population increases to 37^ crores, there is no necessity for this Bill being brought. And since the Constitution asks the Government to revise the constituencies only on the basis of a new census—till 1961 a new census is not likely to be taken—there is no necessity for the next ten years for any such Constitution (Amendment) Bill. But since the Government thought of its own accord to bring the amendment, then naturally, we must take this opportunity to criticise the Constitution itself and we will only thank the Government for giving this opportunity for criticising the Constitution itself with regard to this aspect.

Sir, the Constitution provides for two Houses and the Government comes with and wants to remove the upper limit of 7-5 lakhs and increase it. Even in the original Bill, before it went to the Select Committee, the upper limit was put at 8 lakhs. Why should the upper limit be constantly increased? Because, they have stuck up to a figure of 500 and the hon. Minister quoted Harold Laski or somebody—I could not hear—and on that basis wanted to adjust the constituencies. In that case, this clause (b) is not at all necessary in the Constitution. If you limit it at 500, there need not be any lower limit or upper limit. They could have decided on the 500.

So, the Select Committee could have made the proposal to omit the upper limit as well as the lower limit. It is true that in the following sub-clause it is stated that "The ratio between the number of members ..... and the

[Shri P. Sundarayya.]

population of that constituency..... shall be equal as far as practicable" ..... etc. This, "as far as practicable" is the rider. The Minister himself has admitted that under this the constituencies were gerrymandered last time. When that is the position, why should the Government have a lower limit of 5 lakhs which is not going to be of any use at all unless you want to give to certain areas one representative for 5 lakhs whereas in other areas one member for 8 lakhs, or as time goes, one for 10 lakhs ? If the Government wants to have a change in the Constitution, they should come out with a properly thought out plan. They would argue that on the last occasion, the average constituency was 7-2 lakhs. Only with regard to the "C" States we have given representation for every 5 lakhs. Now, I ask, Sir, how long do you want to keep these "C" Class States ? In the process of evolution, they might have come there. But the Government seems to be of the view that these States, which are not properly governed, which have no democratic form of Government, and which have been detached from their proper linguistic areas, should be kept under the control of the Centre. And when they come out to change the Constitution, they do not want to abolish these States and make them join the neighbouring linguistic Provinces so that a really effective democratic Government may be formed. Sir, the Government came with a Bill the other day bringing Coorg into the jurisdiction of the Mysore High Court. They could have as well brought in a Bill to amalgamate Coorg into the Mysore State. But they do not want to do that because, they do not want the coffee planters of Coorg to be affected, and especially the foreign coffee planters. Similarly about the question of Ajmer. Ajmer is in the midst of Rajasthan ; it is a part of Rajasthan. But Government does not want to take any steps to merge Ajmer into Rajasthan. Similarly, there are other small "C" States. Now the Government want to argue that they give them more representation. They may

fffcgue that to provide representation for these "C" States where the population is 5 lakhs or sometimes, 6 lakhs we have to keep the provision of one seat for 5 lakhs. Now, take for instance, Cutch or Tripura or Manipur. They are all "C" Class States. There is not even an Advisory Council there. They are all only Commissioner Provinces. Some Commissioner is there ; he is the sole dictator. Now their representation—one representative for 5 lakhs—is it going to change the character of these Governments in any way ? We are not opposed to give representation to the "C" States or to any State. One representative from.....

SHRI C. C. BISWAS : I might draw the attention of the hon. Member to the fact that the Part "C" States are dealt with under article 82 : "Notwithstanding anything in clause (1) of article 81," so far as Part "C" States are concerned, it is stated that "Parliament may by law provide for the representation in the House of the People of any State specified in Part C of the first schedule or of any territories comprised within the territory, on a basis or in a manner other than that provided in that clause".

SHRI P. SUNDARAYYA : If that is so my argument is strengthened all the more. The five lakhs are not intended to give representation to Part "C" States. However small, they must get a representation by an Act of Parliament. Then if this population is small, say of 2 lakhs or 3 lakhs, they would be given representation. My point here is that even in the "C" States, the time is already long past when these "C" States should have been abolished, and merged in the neighbouring linguistic provinces. This, the Government does not want to do. That is why I oppose the clause itself. Because, you want the present Government to fix up constituencies in such a way that even Part A & B States with a large population can have one representative for 5 lakhs and another for 7½ lakhs or even more. It will enable the Government to gerrymander constituencies so as to get

a majority, and ensure it for future also. The hon. Minister has argued that 500 is a good number and more than that will not contribute to the working of the Parliament itself, and therefore we do not want to increase the number. The hon. Minister has brought in this argument only from the view of contribution to the debates, and therefore, he says, what is the use of having bigger houses? It is, to say the least, an undemocratic attitude. The representatives of the people are not here only to debate, only to go on talking, so that the Government may benefit from it, or may not—which they usually do not. The representatives of the people are here to voice the grievances of the people to the Government. You should bring out a system by which their co-operation is taken and you should be able to associate them in the day-to-day Administration also. Our complaint is against the very system of Government. The system which they now follow is to make the representatives use the halls of the two Houses to talk, but not in any way to take any interest in the day-to-day Administration. If the Government thinks that the representatives in this House and in the House of the People are merely to take part in the debates, then the 365 days in a year are not enough. How could every one participate in the debates? Will you reduce us to mere debaters, to mere talkers? Then of course, 365 days are not enough. Is this the way in which democracy is to work? Last time, in the previous assembly, there were the Standing Committees which were advisory committees. And they met only once or twice in a year, to consider any report which the Ministers may make before them, and agree or make suggestions and go back. We do not want such a standing committee but we do want a parliamentary committee, with representatives of all the political groups on it, who will be associated with Government in their day-to-day Administration. Their suggestions should be implemented by the Government. If the Government is prepared to work the Parliament in that way, then the

peoples representatives would be telling the Government every day on every important matter that comes up, and help them to carry on the day-to-day Administration itself. But the Government does not want it. They want the peoples' representatives to come here and no agreement, or go on discussing. That is not the way of democratic functioning.

AN HON. MEMBER : It is their democracy.

SHRI P. SUNDARAYYA : Yes. We are criticising their democracy. If the Government really want to function, then 500 representatives are not enough for them to find out how their people are being affected. The Government should come with a proposal to lessen the constituency from 7<sup>^</sup> lakhs to 5 lakhs and increase the number of seats to one thousand if necessary. You should not make it a mere talking shop. The representatives should be on the standing committee and should be associated with the working of the different departments while contributing to the daily Administration of the Government itself.

Then Sir, about the question of costs. If the Government feels that this is going to increase the cost, the administrative expenses, then why have two Houses at all? If the whole argument of the Government is one of money, then, in that case, I would seriously suggest to Government to bring in an Act early. Why do you want two Houses in a country like ours, where there are different languages in different areas? Of course, we have got a common culture and other things but there are diversities also because of the diverse languages, diverse conditions. If the Government come to make the second House as representative of these States, and there is equality of representation from all States, and it is not merely a reflection of the Lower House, then at least, I see the necessity of the second House.

[Shri P. Sundarayya.]

**II. A. M.**

In that case, one could have seen the necessity for having a second House, because under such an arrangement, we could see that because of its population no one State is able to dominate over the other States or take advantage of the Central Government's machinery and work it for the benefit of only some of the States. If this House, as **the** House of the States has equal representatives from all the States, is given the same power as the other House, as the custodian of the interests of all the State's, then I can understand ' the necessity for having a second House. But as things now are, this House has no such powers. It can do only one thing—talk on many matters. That much power is all that this House has. It can talk and make recommendations which, of course, are not binding on the other House. That is the position. And even those small rights which this House is entitled to under the Constitution are not given to it and from the manner in which Government is treating this House, it would seem much better if there is no such second House. It serves no purpose, except giving the Opposition Members another chance to speak, it gives more Members the chance of speaking. If there had been no second House, most of us would not have been here and so would not have got a chance of speaking. But we are not moved by such considerations at all. If the Government wants to have a second House, then they should treat this House more seriously than they have been doing. There are many instances to show that the Government is not caring for this House. Take for instance the Public Accounts Committee. Though many months have passed since this House came into existence, this House has nothing to do with the Public Accounts Committee and Government goes on spending money and this House cannot go into the details of the public accounts or check them up. Take again the Estimates Committee. We are told that so far as money matters are concerned, the other House has the entire jurisdiction and we can merely talk

about them and as such we have no business to be associated with the Estimates Committee and as such an Estimates Committee is not being formed. Take the question of the Estate Duty Bill. That is a very important measure and it has been introduced and not even a Joint Select Committee to go into that Bill has been formed. After the other House has passed the Bill, it will come up to this House, and of course Government will, argue that under the Rules of Procedure, we have got every right to refer back the Bill, if you like to refer it back to the Select Committee. Government only says that, it does not really mean it, for with its majority it can turn down the proposal to refer the Bill back to the Select Committee. Government really would not desire, after the Bill has been fully discussed in the other House to have it referred back to the Select Committee and the whole procedure being repeated. Is the Government anxious to follow such dilatory methods of legislation ?• We do not want this kind of dilatory methods. Sir, these are some instances to show the way in which the Government is treating this House. Therefore I say it is not serving any useful, purpose. We can talk and.....

MR. CHAIRMAN: Mr. Sundarayya, please confine yourself to the Bill.

SHRI P. SUNDARAYYA : Yes, Sir, I am saying that the representation in the other House could be increased and not decreased and I also suggest that from the way in which this House is being treated by the Government, this House seems to serve no useful purpose. But they want two Houses and that is their whole argument. They want two Houses and that is why they have 500 in the other House and some 200 here. This attitude is there even with regard to the fixing of salaries, allowances and everything. We want a reduction in the expenditure of Government and I suggest methods by which Government can save money, can save time also. The people will be

saved time and we will be saved our time if the suggestions that I have made are accepted and there will be [the proper functioning of a democratic assembly also. If a Bill comes up here, not a single comma, not a full-stop, nor a single word is to be changed, for if we do, there is once again the botheration of going through the other House. And so, Sir, this is the way in which this House is being treated and used by the Government.

Therefore I suggest that Government should come forward with a well thought out amendment to the Constitution abolishing the second House— because the second House is not being treated as the House of the People and given the same powers and rights. We want only one House which will simplify the business of legislation. The other House should not be limited to 500 members, but it should be increased so that each representative can certainly be in touch with the voters and find out their difficulties and their needs and represent their grievances. Therefore we oppose this present clause and ask the Government to come out with a well thought out amendment to the Constitution with regard to these Houses.

SHRI RAJAGOPAL NAIDU : Sir, I have to join hands with my hon. friend Mr. Sundarayya in ventilating our grievances that this House has not been taken into confidence, not taken into as much confidence as we can demand, especially with regard to this amendment of the Constitution. We had all taken our oath on this sacred Constitution and we very much respect this Constitution. But when the Constitution is sought, to be amended, this House is not taken into confidence by the Government. Article 368 of the Constitution provides that any amendments to the Constitution should be passed by a majority of both Houses. But here this Bill has been moved some time in the month of June and a Select Committee has been constituted with a large number of Members of only one House. But unfortunately

tuted. I may also state that this is not the only important Bill for which a Joint Select Committee has not been constituted. There are several other important Bills. There is, for example, the Estate Duty Bill and other Bills for which it would have been very good on the part of the Government to have constituted a Joint Select Committee. I wish also to state that this House is being treated only as a post office, for stamping all the Bills, to affix its seal on it and then send the measure to the President for his assent.

This Bill, as originally introduced in the other House was drafted in one way wherein the upper limit has been raised from 750,000 to 850,000 and the lower limit has been raised from 500,000 to 650,000 and has been sent for eliciting public opinion.

We find, Sir, that almost all the States had sent their opinions ; several eminent jurists had sent their opinions and several Secretaries and Presidents of Congress Committees had also sent their opinions. But, their opinions were only based on whether the upper limit has to be raised from 750,000 to 850,000 and, whether the lower limit has to be raised from 500,000 to 650,000. Now, the Select Committee has given a go-by to the whole thing and they had simply removed the words "750,000" from article 81 (1) (b). Well, Sir, the reason why that has been omitted altogether has been briefly stated in the Report of the Select Committee. But, I find, Sir, that when the population increases, there should be a proportional increase in the representation of the people also. Now, if this amendment is accepted, Sir, the population may be going on increasing with biological enormity but, at the same time, the number of 500,000 would remain the same always. It has been suggested, Sir, by some Members that article 81 (1) (a) also requires to be amended, raising the figure of 500 to something more also; but, the scope of the discussion in the Select Committee was only restricted to 81 (1) (b)

[Shri Rajagopal Naidu.] the number of voters, and not the number of Members representing the House of the People.

Sir, I find, though the hon. Minister has said that it is not striking a blow on democracy, and yet I would submit, that it is certainly a blow on democracy because, as the population increases, the representation of people also should increase. That will be real democracy; but, when the population increases and if increase of population is not represented in the House of the People, that will not mean democracy.

Then, the proposed Bill would amount to a kind of disenfranchisement also, because, as franchise increases, there should be more representation, but, we find that it is only the reverse of the thing that is provided for in this Bill.

Well, Sir, it has been argued by the hon. the mover that, though there are 500 Members in the House of the People, only very few Members speak.

KHWAJA INAIT ULLAH : Are allowed to speak.

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SHRI RAJAGOPAL NAIDU : My hon. friend to my left seems to be very vehement on that point but, I take it, Sir, that it is not a fair compliment to the Members of Parliament. Every Member is desirous of speaking and every Member wants to represent his constituency ably but, unfortunately for want of time or under the dictates of their Party Whips or to accommodate the House in certain matters, just to push through the business, some Members, though they are very desirous of speaking, are not speaking. So, I may submit to the hon. Minister that let him not be under the impression that all the Members cannot speak. Every Member is capable of speaking, capable of speaking for hours.

SHRI GOVINDA REDDY (Mysore): We do not deny that.

SHRI RAJAGOPAL NAIDU : Then, Sir, I think that the hon. the mover need not be alarmed at the strength. We find, Sir, in the House of Commons, the number is 640, if I am correct, 625, my hon. colleague corrects me.

SHRI C. C. BISWAS : In England there are no State Assemblies ; there-is only the House of Commons.

KHWAJA INAIT ULLAH : For how much population ?

SHRI RAJAGOPAL NAIDU : Please don't interrupt me. The hon. the mover says that there are State Assemblies here whereas in England there is only the House of Commons. There are no States as we have in India. Certainly, Sir, if all the Members of the State Assemblies are taken into account, the number will come to 3x100. Ours is a Federal Constitution and, certainly, people will have to be represented in the House of the People. There is absolutely no harm in increasing the figures from 500 to a reasonable limit, 550 or 600.

I may also point out, Sir, that in the case of the Council of States, where the maximum that was fixed under the Constitution is 238, we find there are only 214 Members in our House. Including the nominated Members, it is 216. I do not understand, Sir, why we do not find the maximum in this House whereas in the House of the People the maximum that is fixed under the Constitution is 500 and it is there in that House.

I may also point out, Sir, that in article 81 (3) we find that "upon completion of each census, the representation of the several territorial constituencies in the House of the People shall be readjusted by such authority, in such manner and with effect from such date as Parliament may by law determine". Sir, the very presence of such a clause, as this, indicates that the Parliament, at the completion of each census, will have to adjust the several territorial constituencies in the House of the People. Now, what you are actually

to give a go-by to the very provision of article 81 (3) and you now say, Sir, that the number of Members in the House of the People should always remain the same and, in the presence of such an article, as 81 (3), I have got my own doubts that your amendment may not be legally sustained.

Then, Sir, I find that already the constituency is too big ; in some places it is about 200 miles from one end to the other. It is becoming overwhelming. The Members, who are returned out of their respective constituencies are not able to go round their constituencies and try really to find out the needs of the people. If you don't want to increase the number, that means, Sir, that there will have to be more number of people who will have to be represented by each Member hereafter in the future and, I find, Sir, that that will be opposed to democracy. The Members should be able to represent their constituencies in such a way, so as to please their constituencies and so as to see what their constituencies require.

In the last election, Sir, the hon. Minister was saying that, on an average each member represented 2 lakhs of the population. It varied, Sir, if my figures are correct, it varied from 6-43 to 7-43 lakhs in each constituency and the number of voters that each member represented varied from 3-21 to 3-73 lakhs in the case of single member constituencies.

We find, Sir, that if this amendment is passed, it will put an end to any further amendment that will be required so far as the representation is concerned in the Lower House. What is the hurry for bringing forward this kind of Bill, I cannot understand. Even if the population increases, Sir, I don't think, as the hon. Minister said, it will exceed 7½ lakhs before the next general elections. There is absolutely no fear of any election in the near future. We can certainly wait, review the whole thing after 5 years

any amendment at all is required for the Constitution. I find that there is absolutely no urgency, Sir, and we cannot understand why, towards the fag end of the Session, such an important Bill as this will have to be rushed through in our House and, we find from the Report of Select Committee that though they have suggested the omission of the upper limit of 750,000, yet I am not able to understand the next sentence. I am not able to understand how they can say that 750,000 will have to be omitted altogether and, in the same breath say:

"At the same time the Committee wishes to record that the upper limit of one member for every 750,000 of population should not, as far as practicable, be exceeded."

That only shows that even the Select Committee is not free from doubt on this point. I have already submitted that we do not find there is any urgency to push this Bill through, because there is absolutely no urgency for a general election. We can wait for some more years and see how the Constitution works and how the entire territorial jurisdiction will have to be reconstituted at the end of 10 years.

I may also point out, though it is a little outside the scope of the Bill, that in some big cities like Madras, Bombay and Calcutta we find that there are more than 5 or 6 members, probably about 10 members representing each of such big cities. After all, we elect members to the House only to represent the constituencies. I would submit that so far as the urban areas are concerned, enlightened people live in urban areas, and they read newspapers, and can represent the grievances of such areas to the Government. I would therefore suggest that the representation of the people of the urban areas should be reduced so as to give a better chance to the people in the rural areas to have more representation in Parliament.

Finally, Sir, I oppose this Bill only for this reason, that it is opposed to democracy. The ordinary rule should

[Shri Rajagopal Naidu.] representation should also increase in the legislature. That would be the correct approach so far as representation is concerned.

SHRI H. N. KUNZRU (Uttar Pradesh) : Mr. Chairman, the first question to which we should address ourselves is whether this Bill was needed at the present time. The hon. Law Minister, anticipating this question, referred to article 387\* of the Constitution which lays down that in any arrangements for holding elections under the provisions of the Constitution during a period of three years from the commencement of the Constitution the population of India shall -be estimated in a particular manner. And he has argued from this that as the period of three years referred to in this article will expire on the 26th January 1953, and as thereafter a general election may take place in a State, it is necessary that a Bill of this kind should be considered and passed by Parliament. The matter is of such far-reaching importance that I think that the argument brought forward by the Law Minister in support of the introduction of the Bill at this stage does not seem to me to be cogent. If there is an emergency and elections have to be held in a State at a time when the arrangements made in connection with the first election will not hold good, the President can pass an Ordinance making provision for such elections in the State. So far as I know, there is nothing to debar the President from making by Ordinance arrangements to meet a difficulty of this kind, and I submit that it would have been much better to rely upon the Ordinance-making power of the President in a matter of this kind than to bring the Bill forward at this stage. "There is hardly any likelihood of a general election taking place in a State next year, but even if there is such a possibility, I submit that more consideration should have been given to the matter than what appears to have been given to it so far.

Now, let us take the Bill itself. Article 81 of the Constitution to which a referpnrf\* has V^r^^-n mar?\*\*\* Kir p£.t.MH

speakers refers not merely to the maximum number of members to be elected to the House of the People but also to the strength of the constituencies that are to return members to that House. Although I believe the relevant portions of this article were read out by the Law Minister, in order to make my point clear I shall venture to read out sub-clauses (a) and (b) of clause (1) of that article again. Clause (1), sub-clause (a), says :

"Subject to the provision of clause (2) and of articles 82 and 331, the House of the People shall consist of not more than five hundred members directly elected by the voters in the States.";

and sub-clause (b) says :

"For the purpose of sub-clause (a), the States shall be divided, grouped or formed into territorial constituencies and the number of members to be allotted to each such constituency shall be so determined as to ensure that there shall be not less than one member for every 750,000 of the population and not more than one member for every 500,000 of the population."

We are not concerned here either with clause (2) of article 81 or with article 82 or with article 131.

This shows that in considering this matter it was possible for the Govern-ment to do two things, namely, either increase the size of the constituencies or increase the number of members to be elected to the House of the People. My hon. friend the Law Minister has given no cogent reasons to show that the amendment of clause (a) would not have been preferable to the amendment of clause (b). For a country of the size of India, the size of the House of the People cannot be considered too large.

(MR. DEPUTY CHAIRMAN in the Chair.)

[\*]he hon. Member who preceded me, referred to the case of England in this connection. But the Law Minister countered his argument by saying that a large House of Commons was needed in England because there were no subordinate legislative authorities there as there are in India. Sir, let us take

not merely a Central Legislature, but there are also State Legislatures. What is the position there? For a population of 155 millions there are 435 members in the House of Representatives. Now, proportionately, Sir, the number of electors per member to be elected is much smaller than in India. I see, therefore, no reason why clause (a) could not have been so amended as to provide for an increase in the representation to the House of the People. Government could easily have provided that the number as to the strength of the House of the People may vary between 500 and 600 in accordance with the population as determined by a census. This would not have made the House unwieldy and would have been in consonance with the democratic traditions.

Now, it may be said, Sir, that the increase in the number of members in a constituency need cause no serious inconvenience, because the area of the constituency will not be enlarged. So, this argument, I am sure, cannot be advanced by anybody who has any experience of the difficulties that are encountered in an election campaign. The size of the constituency, Sir, is much smaller now than it was before the Constitution was passed. In England, the constituencies are compact. Nevertheless, care has been taken not to increase the number of the electors in a constituency to such an extent as to make it virtually impossible for the candidate to come into touch with them. If the number of electors in a constituency is to be increased, it is obvious that it will be much more difficult for the candidate to come into contact with the electors than it is at the present time. It would, therefore, have been desirable to increase the size of the House of the People rather than the number of electors per person to be elected to the House of the People.

Again, Sir, it is obvious that if my suggestion were accepted, the size of the House of the People would not increase appreciably. The Law Minister himself has said that in all probability, the number of electors 39 CSD

per constituency on an average will not be more than the maximum prescribed in article 81. But in order to maintain this average, he contended, it might be necessary to have a constituency with a larger number of electors. Now, I submit, Sir, that the proper thing would have been to make an enquiry into the matter and find out what would be the increase required in the number of members, if the provisions of clause (b) of section (1) of article 81 were to be allowed to remain intact. He might have found that the number would have to be increased, say by a dozen. It would then have been apparent to everybody that an increase in the size of the House of the People would be preferable to an increase in the number of electors per constituency. But this course has not been followed and we are asked to consider what would happen, if the House of the People, which is supposed by some to be already unwieldy, were to become larger still. I submit, Sir, that this is a bogey which does not deserve the serious consideration of anybody. Even, Sir, if the number of members is to be appreciably enlarged, even if it would have been necessary to enlarge appreciably the number of members, it would not have been a calamity. If we had passed a flexible amendment of the kind suggested by me, which would have allowed variation in the number of members of the House of the People between 500 and 600, we would probably have been able to provide for all possible increases in the population. Our population is undoubtedly increasing. But if we were to ask a statistician, he would, in all probability, say that it was a mistake to suppose that population would grow indefinitely for this reason. A maximum would be reached in the course of a few years and if Government wanted really to have more information on the subject to deal with the matter when it had been fully considered, it could have had this matter statistically examined. It would probably have found then that if an increase of about 100 members in the strength of the House of

[Shri H. N. Kunzru.] the People were provided for, all possible contingencies would be met. This course, however, Sir, has not commended itself to Government and the Select Committee of the House of the People has altered the Bill as introduced in it in such a way as to make it unnecessary to amend the Constitution after every census.

Clause 2 of the Bill as introduced in the House of the People ran as follows :

"In sub-clause (b) of clause (i) of article 81 of the Constitution for the figures 750,000 the figures 850,000 and for the figures 500,000 the figures 650,000 shall be substituted."

The Select Committee has substituted the following words for the operative part of the proposed amendment :

"Not less than one member for every 750,000 of the population shall be omitted."

That is to say, it has allowed the number of electors in a constituency to increase indefinitely. Yet, the report of the Select Committee says at the same time :

"The Committee wish to record that the upper limit of one member for every 750,000 of the population should not, as far as practicable, be exceeded."

Though the Committee made the change that I have acquainted the House with, yet it did not wish that the number of electors for a constituency should be increased beyond the maximum now fixed by the Constitution. I submit, Sir, that the Select Committee would have been better able to achieve its view had it amended sub-clause (a) of clause (1) of article 81 and thus allowed for variations in the strength of the House of the People. It is for this reason that I am not in favour of the Bill as placed before us. No harm will be done if the matter is further considered. No election is likely to take place in the course of the next six months or twelve months, and even if it is found necessary, arrangements for it can be made in other ways, as I have

already pointed out, than by changing the Constitution. The matter requires much more thought than has been given to it. We should not try to fit all our arrangements, so to say, into a Procrustean mould. We should, instead of penalising prospective candidates at every census, try to make such arrangements as would enable different sections of the people to be better represented in what is our House of Commons.

SHRI H. P. SAKSENA : Mr. Deputy Chairman, I rise to support the amendment that has been moved by the hon. the Law Minister, as a democrat and as a person believing in and practising democracy. Sir, it does not lie in the mouth of those sitting on the front benches there, who subscribe to totalitarian methods, who believe in authoritarian ideology and who worship at the shrine of an individual to draw their political inspiration from him, to talk about democracy and democratic methods. If you want to have any indication of what democracy is, take the trouble of going through the Constitution that we have made, read it, understand it, digest it and then you will see how a democratic Constitution is prepared for a democratic country. Sir, when my hon. friend, Mr. Sundarayya, was speaking, I was inclined to agree with him when he pleaded that this House which has not got large powers should be endowed with more powers. I was inclined to agree with him there, but then after a little while, he recommended the abolition of this House. I submit that it will be a most undemocratic step if we were to abolish this Upper House, I mean the Council of States. It is an illustration of how the minds of those, who talk of democracy, work-in one breath, they talk of democracy and in the other breath, they recommend the abolition of this House. Maybe that this House does not wield very large powers, but it is up to us, including those who sit on the opposition benches, to put our shoulders together and force the Government to concede more powers and more rights to this House. If the House is to live, it

should live as an important and responsible House.

Another complaint made by Mr. Sundarayya was that this Government does not take this House seriously. I have never come across a single case in which this House has been unceremoniously neglected. If it were so, I would have been the first to lodge my emphatic protest against it.

SHRI B. RATH : It is ceremoniously neglected.

SHRI H. P. SAKSENA : Then, my friend and neighbour, in this House Mr. Rajagopal Naidu, suggested that this House was nothing more than a post office. If this House was a post office, the Chairman of the House would be the Postmaster-General. I would never agree to his being degraded from the high position of the Chairmanship of the U.N.E.S.C.O. to the position of the Postmaster-General of this House. I would be the first to safeguard the interests of our Chairman as well as of this House, including those of the Members sitting on the other side.

Mr. Naidu also complained that this was a blow to democracy. I claim, Sir, to understand a little about democracy, and yet I do not find.....

SHRI RAJAGOPAL NAIDU : You do not practise democracy.

SHRI H. P. SAKSENA : I believe in democracy, and as I said previously, I practise it. The amendment proposed was a very simple and small amendment. I wonder" why we are having much ado about a very little thing, if not about nothing. Certainly it is much ado about a very small thing. A higher limit of 750,000 was to be omitted and the lower limit of 500,000 was to be retained. That was all. If the hon. law Minister would forgive me, the provocation was given by him. If he had in a very few chosen words just put the Resolution, I mean, the amending Resolution, before the House, there would not have been so much of fire and excitement in speech. Anyway it is not a blow

on democracy and it is exactly in conformity with democratic ideas and there is nothing wrong with omitting the upper-limit and retaining the lower limit. My hon. friend Dr. Kunzru with whom I agree very seldom.....

PROF. G. RANGA : Agree or disagree ?

SHRI H. P. SAKSENA : At the same time it is very difficult for me to comprehend his very learned treatises. He said that if his suggestion for fixing the number of the members of the House of the People between 500 and 600 had been accepted a long time before, no trouble would have arisen now, even if the maximum of the population had been reached. I wonder with what calculation and with what logic he claims that at any time the maximum of population could have been reached unless of course we have a legislation to have recourse to contraceptive methods. There is no other means by which the maximum of population can be fixed. With these words, I support the amendment and I think there is nothing wrong in accepting it.

MR. DEPUTY CHAIRMAN : Shri Mahanty.

SHRI S. MAHANTY : (Orissa) : Mr. Deputy Chairman, I rise to oppose this Bill. This Bill fits into a well-knit pattern of a plan to convert the Indian Parliament into a Chamber of Commerce or an association of mill-owners, may be a Chamber of Princes too. This Bill will certainly make this Government for the people but never of the people or by the people. At the very outset I may say that sub-clause (a) of clause (1) of article 81 limits the number of members of the House of the People to 500 but there is no immutability about this number. As has been said, in U. S. A. the total number of members of the House of Representatives is 535 which means one member for every 275,000 people. In England the House of Commons has 625 members which means one member representing about 75,000 people. In the Australian Constitution also we

[Shri S. Mahanty.] don't find such limitation imposed. In Australia the number of representatives are fixed by a formula which fixes the quota. The quota is fixed like this. The total population divided by twice the number of Senators and then dividing the population of a State by this number the quota is fixed. Even the Burmese Constitution which is so much influenced by the Indian Constitution never sets a limit. Therefore, I don't consider that there is any immutability about this number of 500. Then according to the Representation of People Act, 1950, in the last elections every 72 lakhs were able to return one member to the House of People. Now I have got practical experience because I was in charge of conducting the elections of 3 or 4 Parliamentary Constituencies. Some constituencies I found, though not bigger, were as big as any of the States like Switzerland or Holland or Belgium and now when you are going to reduce the representation of one member for every 7 "2 lakhs to one member for every 8-5 lakhs, you can well imagine the size of a constituency. Then it will be left to the *hermias*, to persons with big money bags to control such constituencies. Some time back we heard that there was a proposal to reduce the remuneration of allowances of Members of Parliament. There are gentlemen and not very few and they will be found mostly in plenty in the Congress benches, who will be even willing to pay the Indian Parliament daily Rs. 40 and become a Member of Parliament. And above all now we hear that the number of People's representatives will be limited. In autocracy you find the big boss is always visible. You can know always where the whip is because he is visible but in democracy the person is invisible.

SHRI H. P. SAKSENA : It means humbug.

SHRI S. MAHANTY : Plenty of them have been in evidence from that side. Therefore my humble suggestion would be, let us not penalise the

prospective candidates. It may be that when the population increases, more number of opposition voices may be heard in the House of the People but that should not unnerve the Ministers. I put here a frank and honest question. First, what immutability is there about this 500 ? Why can't you also alter that ? There is nothing immutable about that number 500.

AN HON. MEMBER : There might not be room in the House of the People.

SHRI S. MAHANTY : A friend says there might not be room in the House of the People. The second thing is, by reducing the representation of one member for every 7-2 lakhs we are going to make elections more expensive, more unwieldy and then we will probably be throwing open the gates of the Indian Parliament to men in big business or industry, and that will certainly be, if not a blow to democracy a very uncourteous kick. With these words, I oppose this Bill.

PROF. G. RANGA : Mr. Deputy Chairman, my feelings in regard to this Bill are rather mixed for the simple reason that if only that Chamber could be conveniently enlarged, I would certainly like more people to come to be accommodated and as far as I can see, Government does not seem to have any more serious reason for this amendment at the back of their mind than the administrative and also accommodational considerations. Because that House could not conveniently accommodate more than 400 and now they have nearly 500, they seem, to have thought of this—as they put it, a simple amendment. But when they were thinking of it, they did not think that they were putting their fingers into a hornets' nest, because they were liable to the criticisms that have been so far made against them. The history of the development of the political democracy in the country has been in the direction of reducing the number of people who have to be covered in any constituency

in order to elect people to the Central Legislature and also to the State Legislatures and we have gone on reducing and reducing until we have reached this figure. It reaches up to 7-5 lakhs. 7\*5 lakhs of people have to be covered, 750 thousand voters. Am I correct ? Now, you reach up to 5 lakhs of people.

SHRI C. C. BISWAS : Not the number of voters, but the population.

PROF. G. RANGA : Very well. That is the smallest number we have reached. My friend suggested that we should be able to reach hereafter, if need be, even a smaller number or at least this number should not be made bigger and bigger. Let us consider this. Is not a House of 500 big enough ?

AN HON. MEMBER : In India, it is not.

PROF. G. RANGA : Then we can easily contemplate a Parliament of 2,000. But, no doubt, we have to think of the efficiency of the working of that Legislature. If you look at that in that way, you have got to draw a line somewhere, and you must say that beyond that you cannot go because efficiency will suffer.

SHRI B. GUPTA ( West Bengal ) : That depends upon the political character.

PROF. G. RANGA : Yes. it depends upon it. But in a country where thousands of people can be brought from the antipodes, from every part of the country into the Central Assembly where all of them need not take part in the discussions, it may be possible. They need not discuss things as we do here. Even a small Bill like this with one clause is being carefully and vigilantly scrutinised here. But where there are big Bills containing a hundred clauses, can it be passed in a jiffy after a hundred hours' speech is made by the member in charge of the Bill ? That is a different matter. We are at a stage of deliberative assemblies where there are political parties, Party in Government and Party in Opposition, where we are

absolutely free to make our own criticism and some times even succeed in defeating the Government,—though not able to remove them, still we may defeat them in certain issues. In a Legislature of that kind, certainly, we should think of the maximum limit of the number of members that we should have. I thought that 500 was a good number. Otherwise, I would not have agreed to this when the Constitution Bill was on the anvil. Having agreed to this—so many of us having agreed to this—we are face to face with this predicament. Our population goes on increasing and we cannot allow a constituency of a larger number of people than can be accommodated in the first instance. I for one would not like to take any objection. Therefore, I would like to support this amendment Bill.

Then, I am face to face with the general approach of this Government. One point has already been made by the hon. Members. When an important Bill like this was under consideration, it was the duty of the Government to have thought of constituting a joint Select Committee. But, unfortunately, Government seem to be making this mistake not only in the case of this Bill, but in regard to other Bills too. First of all, when face to face with such an important Bill as this, this policy makes us to put our backs up. Secondly, if any Legislature is to become really efficient, it has to function more through Committees and at the Committee stage. I have already made that comment on a previous occasion.

MR. DEPUTY CHAIRMAN : That need not be repeated.

PROF. G. RANGA : That is what I said.

MR. DEPUTY CHAIRMAN : It is already stated.

PROF. G. RANGA : No, not " at the Committee stage ". I said that through Committees we should be enabled to function more and more in which case it would be easy for us to do a great

[Prof. G. Ranga.] deal, more work and quote facts and figures much more easily than we are able to do otherwise. In the past, there used to be committees associated with the various Ministries and Departments. But they have come to be abolished. I would like the Government to consider the desirability of reviving them. Having done that, the House of 500 could be made more strong, because you have to consider everything at the stage of " House discussions ", not " Committee discussions ". The strength of the House cannot afford to become bigger and bigger every day. Then, necessarily the House becomes less and less effective in its criticisms and its considerations and in the advice that it gives to the Government. That is why I am inclined to favour this upper limit.

Why should there be any upper limit ? I have already given the reasons. Is there any sacredness about this 500 ? There is no sacredness about anything. Some time or other we have to stop. Is this 500 not good enough or big enough ? It is a matter of opinion. I agree. The Government have thought that it is good enough. I am inclined to agree with them that it is good enough. There are other considerations with regard to the Constitution and about other things about which Mr. Naidu has already expressed an opinion. Therefore, I would like to support the Bill so far as this narrow point goes, but at the same time I would like to warn the Government of the country, why they cannot reconsider their attitude towards this House as well as the other House and devise ways and means of reviving some of the old practices by which they can help these two Houses to become even more effective than they are today, not only in controlling Government, but in advising and assisting the Government. Then, it will be possible for the Government to go on controlling the administrative machinery which is becoming more and more complex than it was previously. After all, the Prime Minister has repeatedly stated that this administrative machinery is so very complex

that one Ministry is not able to get a comprehensive view of the major activities of the officials of that Ministry. Therefore, these short-notice questions, these starred questions and all those things really serve a very useful purpose in that the Ministries get an opportunity of looking into the special purpose for which the questions are put, and naturally when you hear the questions and statements of the Members who are behind the back of these matters, the Ministers are in a position to see how their Administration is being carried on through their officers, how their officers are behaving, and in that way control their administration.

I appreciate that democratic approach of our Prime Minister. Looked at from that point of view, it is only reasonable to expect the Government to be enthusiastic in helping the Houses to become more effective than what they are, and invite the association of these Houses with their own activities so that the Members of the Houses also would be able to feel that they become important agents in the making of policies, as well as the larger administrative decisions of the country.

SHRI S. N. MAZUMDAR (West Bengal) : Sir, I oppose this Bill. It seems the guiding principle of the Government in bringing this Bill is to enforce their rigid insistence on keeping the number of 500. That means penalising not only prospective candidates but also certain important sections of electors. I shall not deal with the other aspects on which other Members have spoken before me, but I would draw the attention of the House to a special aspect of the clause, i.e., in certain cases, in certain constituencies, there may be cases, besides the Part C States, where a constituency should be formed even when the number is less than 500 ; otherwise it causes injustice to the electors of the particular area. India is a unity in diversity, and that diversity also should be represented here. I shall cite only one example. My hon. friend, the Law Minister will kindly make note of it. There is a 3-member constituency— North Bengal constituency, which

comprises of the districts of Darjeeling, Jalpaiguri and Cooch Behar. Out of the 3 seats, one is general, one is scheduled caste and one scheduled tribe. But in the constituency comprising the three districts, the composition of the 3 districts is different. In the three hill subdivisions of Darjeeling and two Thanas of Jalpaiguri district, the population is predominantly Nepali-speaking. They speak a different language from the other persons of the district. The others are Bengali-speaking, and the rest are tribal people. At the last elections among the candidates there was a Nepali-speaking gentleman and two Bengali-speaking gentlemen—one of them is an hon. Member of this House. What happened? The Bengali-speaking gentleman was elected for that area. The Nepali-speaking people feel, and rightly too, that they should have one representative in the Parliament of India, but they are not given any opportunity. If my hon. friend the Law Member takes account of the votes cast there, he will find that the Nepali-speaking population was in favour of the Nepalese gentleman who stood as a candidate. But what happened is that due to the rigid insistence on the number, the Nepali-speaking people feel that in spite of their unanimous support, they have not been able to send a representative here.

Sir, I do not like to take much of the time of the House, but I would request - my friend the hon. the Law Minister to take this matter also into consideration, that in bringing the amendment to the Constitution, he should have seen this side of the question also.

With these words I sit down.

SHRI B. RATH : Sir, the one line amendment is not an ordinary amendment. It is an amendment to the Constitution which changes the character of the House and as such, while discussing such an amending Bill on the Constitution, the Council of States has to be very cautious. Because, here the question does not concern the Parliament but the House of the People - which is directly elected by the

People of India. Considering that aspect and considering the arguments that have so far been advanced, whether the representation should be diluted or not, I am strongly of the opinion that the amending Bill should not be accepted because, thereby we dilute the right of the electors to elect their representatives. We know, in spite of the provisions of the Constitution, the constituencies for the House of the People were so big that it was well nigh impossible for many of the members who have come to the other House to approach their constituencies, meet their electors, before the elections took place. Of course, there were very few favoured people, who had either money enough, or had other privileges or had the army or civil aviation planes at their command, to go from place to place, to hop over distances of thousands of miles, to address meetings, or reach places where it is impossible for others to reach, even within 3-4 days. For them, the enlargement of constituency does not affect. To them, the size of the constituency does not affect, because it is once in their life that they meet their electors, and after five years only, will they be required to meet their electors and to approach them again. But then, one has to represent one's constituency. I feel that the number of the representatives of the House of the People should be increased. If the accommodation in the other House is not sufficient it is better to have the Parliament, the House of the People, to sit at some other place .....

AN HON. MEMBER : Under a *shamiana* !

SHRI B. RATH : Yes, even under a *shamiana*, near the India Gate ; or even in the National Stadium area, if possible, under a *shamiana*.

AN HON. MEMBER : Or the central hall.

SHRI B. RATH : Because, what have you given to the people of India through this Constitution ? We, people of India, through this Constitution, have only one right, the right

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to elect our representatives, and nothing else. That is why we expect that the peoples' representatives should be such, so elected, that they may be approachable to the people. Their representatives should be such that at least it will be possible for the representatives to go through their constituencies and meet the people as often as possible. But the little right that has been given to the electors is being taken away, by this amendments to the Constitution, which is very small. Because, the electors of our country cannot meet the members of the Government, the Ministers, unless there are special occasions when the Ministers feel it necessary to go to their constituency to meet the people with some motive behind such visit. That is why by amending this section and diluting the representative character of the House of the People, I feel we are directly taking away the right that has been granted to the electors of this country.

Secondly, Sir, I submit that the argument that have been advanced by the Leader of the House, the Minister for Law, a great judge of the past, is not judicious in content. If only he had thought over it a little, he would, I think, not have said that if we reduce the strength of the House of the People—the size of the House of the People, then the representatives of the people who will come into that House—would be able to conveniently voice their opinions, would have ample opportunities for debate. Sir, this is a fallacious argument. Taking it to its logical conclusion, I would request him to agree to an amendment to subclause (a) reducing the number of seats further by taking the number of persons who were members of the old Constituent Assembly and here also and who had spoken during all these days—the number may be only about 90 or 100—and have a house of 90 or 100. That would give you a very good debating society. That will give our hon. Minister a fine democracy, democracy of a particular type—the democracy of debate. So, let me come to the

logical conclusion of this argument and say that since it is impossible or difficult to carry on the business of the House of the People with its unwieldy number of 500 and since all these Members who come here do not find opportunities to speak and since it is a waste of the tax payer's money, therefore, after careful consideration, we have come to the conclusion, let him say, he has deliberately come to the conclusion and taken the action of proposing that the number may be reduced to 100. I think that will finish the whole matter. Sir, that is the argument that my old friend over there, Mr. Saksena perhaps.....

SHRI H. P. SAKSENA : Not perhaps but actually.

SHRI B. RATH : Thank you, Mr. Saksena. He opposed the hon. Member Mr. Sundarayya because he had suggested the abolition of this House. He had no other point for quarrelling with Mr. Sundarayya, or for not agreeing with him. But he does not seem to have understood what Mr. Sundarayya said. Mr. Sundarayya has suggested that if necessary the Upper House, the Council of States may be abolished. That was the quarrel. That is why he opposed Mr. Sundarayya, there was no other reason and he said that in so many words. But my hon. friend, if he had heard Mr. Sundarayya carefully, would have understood.....

MR. DEPUTY CHAIRMAN : Mr. Rath, please avoid repeating Mr. Sundarayya's arguments. Give your arguments.

SHRI B. RATH : What he said was that if you want to reduce expenditure, if you want to reduce the expenditure on Parliament, you can have this House abolished and increase the strength of the other House. In that case my hon friend Mr. Saksena would have been elected to the other House and there he would have ample opportunities for discussing all Money Bills and financial matters and also have a place on the Estimates Committee or on the Standing Committees the scope for activity which he does not get here, and also Prof. Ranga. That is why in-

their interest too Mr. Sundarayya had spoken. This amending Bill is directly against the interests of the electors. Secondly, it is also against the interests of those persons who want to get elected through elections, unless such candidates are persons capable of spending—the limit may be increased to Rs. 30,000—unless they are capable of spending Rs. 30,000 or are capable of making other people spend that much for them. By making the constituencies very big, you make arrangements for persons who can spend so much money, to become candidates for these elections. By this amending Bill we are making further provisions to convert the House of the People into *en* institution of such persons who are capable of spending over Rs. 25,000 to Rs. 30,000 or even more, or who are capable of getting money from others. There are, of course, such chatitable persons, who can give some persons money. There are the sugar merchants of U.P. or the cloth merchants of Bombay.

KHWAJA INAIT ULLAH : There are States outside India also.

SHRI B. RATH : Or the Eastern Mercantile Corporation of Orissa.

SHRI T. S. PATTABIRAMAN (Madras) : The Communists also get funds. Do you take a challenge ?

MR. DEPUTY CHAIRMAN : Order, order.

SHRI GOVINDA REDDY : He knows all your tricks. He was a Communist before.

SHRI T. S. PATTABIRAMAN : Are you prepared to take a challenge ?

SHRI P. SUNDARAYYA : You get money from America.

SHRI B. RATH : I am very sorry, Sir. I did not say anything about any party, but my friend of the Congress Party has taken what I said to heart, as if I was referring to him.

MR. DEPUTY CHAIRMAN : If you have not mentioned parties, you have mentioned associations and it is '

this sort of thing that provokes reactions on the other side.

SHRI B. RATH : But my hon. friend can understand.....

MR. DEPUTY CHAIRMAN : Mr. Rath, there is the simple law that action and reaction are equal and opposite.

SHRI B. RATH : But in the interest of the candidates who will contest seats in the House of the People, it is but necessary that the constituencies should not only be reduced in size, but the number of representatives in the House of the People must be increased.

We have also to take into consideration the fact that when one becomes a candidate, the candidate has got to tour round his constituency. We know the nature of our country. There are no good roads. There are no roads in some parts of the interior at all. There are places where one has to walk thirty and forty miles in order to approach the people. There are the aboriginal areas, the places where the scheduled tribes live. In their interest, how are you going to have this arrangement ? Even now it is very difficult for a person to reach them in their interior places. There are the hilly and jungle regions. We have to cross the rivers.

SHRI R. P. N. SINHA (Bihar) : By plane.

SHRI B. RATH : Planes, for people like you, army planes, if necessary. But what are we going to do with this amending Bill ? We are actually making the lot of the people more difficult, and that, I suppose, is democracy, democracy of those who can spend more, who can make others spend.

MR. DEPUTY CHAIRMAN : Order, order. You are repeating your arguments.

SHRI B. RATH : No, Sir. But those who want to get elected, in the present context of things, it is very difficult for them to stand for elections ■

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. and get elected. So I suggest that this - amending Bill should not be pushed through, that the matter may be dropped, the House of the People should be consulted, the public opinion in the country should be taken again to see if it is possible to increase the size of the Lower House, and if it is not possible, ito keep it at the present strength.

With these remarks, Sir, I oppose the Bill.

SHRI ABDUL RAZAK : Mr. Deputy Chairman, article 81 (i) (b) .....

MR. DEPUTY CHAIRMAN : No repetitions.

SHRI ABDUL RAZAK : In article 81 (i) (b), this amending Bill would take away the upper limit prescribed by the Constitution. That means, as has been pointed out by my illustrious friend, Dr. Kunzru, vesting discretion in the executive for the prescription of the upper limit and, therefore it is a sinister move on the part of the executive today. In other words, it would be a culminating step ; it would be a deliberately ■ culminating step on the road to fascism. There is one other very strong reason to hold this view. It would mean the suppression of political minorities particularly in areas where minor language groups are tagged on to other dominating language groups, as in the case of Travancore-Cochin, especially in the southern most part of it.

Sir, already, our Indian Parliamentary' constituencies are the largest and, so far as my knowledge goes, they are the largest in the world. Democrates, I am told, are simply astonished to see the size of the Indian Parliamentary constituencies each almost extending to the size of a State. Therefore, Sir, any further extension of the existing limit of the Parliamentary constituency would make it absolutely impossible for any contact to exist between the elected and ,the electors. The argument advanced

by the learned Law Minister that al elected representatives are not al good legislators is simply silly ; i t does not hold any water. The only question that should be considered in this context is whether there should or should not be representation for the people that are sought to be governed and, therefore, this amending Bill has to be viewed in this perspective. Of course, democracy, as somebody has said, is a luxury and, like all luxuries, democracy will also have to be paid for. If unfortunately, that comes to be grudged in India, as my hon. friend, Mr. Sundarayya has suggested, let this Upper House be done away with and, if that would offend my learned friend, Mr. Saksena, and, if the Government is particular in pleasing him, let it not abolish the Upper House, let us go into sub-federations. Sir, there is already a feeling in the South that we should go into sub-federations and there is very good justification for that also. Sir, there is already a very strong feeling in the South ; for example, mighty plans and mighty schemes are drawn up by the Centre and, beyond the river Krishna, they simply pale into insignificance.

MR. DEPUTY CHAIRMAN : Mr. Razak, all this is irrelevant. Please speak on the Bill. We have just finished a three day debate on Planning.

SHRI ABDUL RAZAK : Beyond the river .....

MR. DEPUTY CHAIRMAN : It is irrelevant. I am not going to allow it.

SHRI ABDUL RAZAK : Krishna, I repeat .....

MR. DEPUTY CHAIRMAN : Order, order.

SHRI ABDUL RAZAK : Therefore, Sir, this amendment, I repeat maintaining, if accepted, would further aggravate that feeling on the part of the Southerners to go into a separate sub-federation. Therefore,

Sir, with a view that India should be one and it should be well integrated, I say, with that end in view, this amendment should not be accepted.

SHRI C. C. BISWAS : Mr. Deputy Chairman, I shall be very brief in my reply.

First of all, I would refer to the point which was made by Prof. Ranga. He is not here. I fully appreciate his point of view and I think that, in regard to important Bills, it would be very reasonable to have Joint Select Committees of both Houses ; not only from the psychological point of view as a gesture of co-operation, but, from the practical point of view it will facilitate the business.

SHRI ABDUL RAZAK : The view of the Joint Select Committee was that the upper limit should not be raised.

MR. DEPUTY CHAIRMAN : That point has been referred to by other speakers also. Please don't disturb.

SHRI C. C. BISWAS : I am one of those who believe that in a multitude of counsellors there is wisdom and, therefore, if we have Joint Committees to consider important Bills it will be to the benefit of both the Houses and it will improve the character of the legislation to a great extent. The Select Committees are not committed to any particular views and, from my limited experience, I can say that the different views expressed round the table receive due consideration and Government do not oppose any reasonable amendment. On the other hand, there are numerous instances where Government have accepted suggestions made by Select Committees, even suggestions made by Members of the Opposition.

I fully support the point of view which was expressed by Prof. Ranga, whom I am glad to find here now.

Then, Sir, a point was raised regarding the urgency of this measure. I had anticipated this objection and explained why it was that Government was bringing forward this

Bill. It is said that general elections are so remote a contingency that we need not worry about it. But, let me ask, what is the harm if we set about this business from now ? After all, the census is over ; we have got the figures of the population of India. The Constitution requires that upon the completion of each census we should take up the question of readjustment of representation. That is what is being done. Sir, this Bill was brought forward far as as May. It was introduced in the other House. My first motion was that it should be passed ; but, then as soon as it was suggested that it should be circulated, I accepted that motion for circulation. It was circulated and opinions have been received. I had tabulated the opinions and I find all opinions, except about four, were in support of the Bill, which had suggested that the upper limit should be 850,000 and, now.....

SHRI B. RATH : What was the opinion of Orissa State ?

SHRI C. C. BISWAS : You will find that in the papers which have been circulated but, the opinion of Orissa is not decisive of every matter. As a matter of fact, out of the large number of opinions, only 4, if I am correct, were against the proposals contained in the Bill.

Now, Sir, that is about the urgency of the measure and about the suggestion that Government were acting hastily without due consideration of all the points involved. Government did not think, Sir, that the changes made were so material that it would excite so much of controversy. As a matter of fact, this question of increase in the number of members of the House was adequately considered. It was considered by Government, it was considered by the Select Committee, and it was agreed that the limit of 500 ought not to be interfered with. So we proceeded on that basis. On a question like this you can have any number of opinions. You can move an amendment that it

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should be, not 500 but 510 ; another amendment that it should be 550 ; and so on. You can go up to 10,000. You can have so many opinions. But that is not the way to deal with these matters. It is always possible to suggest alternatives to any figure which may be mentioned. We have got to look at things from a proper angle, in a proper perspective.

It has been said that the number of members ought to have been increased, as otherwise the constituencies would get very unwieldy and it would be very difficult for candidates to canvass their voters effectively. Even under the existing delimitation of constituencies, you find that in several places the number of voters is very small as compared with the number of voters in other constituencies. You have got to have smaller and larger constituencies. You cannot have constituencies all cast in the same mould, with the same number of voters, with the same population, everywhere. So you have got to play within certain limits. Now, it is possible that a candidate may be returned by 5 lakhs or 6 lakhs or 7 lakhs or 7 1/2 lakhs of voters. But no complaint is made because one man is returned by 5 lakhs and the other man is returned by 7 1/2 lakhs. It is bound to be so. Here, I do not think that in actually working out the scheme of delimitation, there will be many constituencies where the population will exceed 750,000. There may be one or two cases. Now, if you can successfully canvass an area containing a population of 7 1/2 lakhs, will the addition of a few thousands make so much difference that in one case it will be a democratic election and in the other case it will be an undemocratic election ? In these days you do not go and contact every one of your voters. You cannot do so.

SHRI S. MAHANTY : Why not ?

SHRI C. C. BISWAS : Has the hon. Member tried it ? In fact a complaint was made by some hon.

friends here about elections being an expensive business, involving a lot of going about, and so on. If one takes it into one's head to approach every individual, one is welcome to do so, but then one cannot avoid expense. It would not do to say that democracy is so expensive, and so on. What I say is, that is not the way elections are fought these days. You call meetings, you have associations, organisations, and so on. A reference was made to America. There are organisations there. There are parties functioning all the time— not coming into existence only on the eve of elections —and one nurses one's constituency throughout the term of one's office. What is there to prevent members who are elected adopting the same course of action ? Why do they not maintain touch with their constituencies after their election ? That is more important. Let them get in in that indirect way by approaching, not individual voters, but collective groups of voters through associations, through public meetings, through radio, by issuing literature, and so on. It is not very difficult. I could appreciate it if you had to dance attendance on 7 lakhs of people for the purpose of contacting your voters ; that would be an almost impossible task. So, I do not think that is a very formidable obstacle. (*Interruptions.*)

MR. DEPUTY CHAIRMAN : Order, order. Let there be no disturbance.

PROF. G. RANGA : Is the Chief Whip supplying any legal points, or is he doing any other service ?

SHRI B. RATH : Prompting from behind.

MR. DEPUTY CHAIRMAN : Order, order. Members will kindly restrain themselves a little. Nothing is gained by these exhibitions. The hon. Member will please withdraw the words. He said " Prompting from behind". It is a most undignified expression.

SHRI B. RATH : I said " prompting".

SHRI C. C. BISWAS : Sir, I have not had the experience of theatrical shows which other Members might have, and I do not know much about prompting.

Then it was suggested that by doing away with the upper limit we were leaving the matter in the hands of the Executive. Sir, the Delimitation Commission will have to demarcate these constituencies, and that will be a thoroughly independent, high-powered body according to the provisions of the Delimitation Bill. It will be a high-powered, independent commission consisting of two Judges of the Supreme Court or of High Courts and the Election Commissioner, who under the Constitution is an independent person. Therefore, you need not fear that they will be guided by the wishes of the Executive. Nothing of the kind. And on behalf of the Executive I may say that they do not desire that the constituencies should be made unwieldy in order that any class of persons may not find it easy to come in. Nothing of the kind.

AN HON. MEMBER : Question.

SHRI C. C. BISWAS : The last elections must have shown that the Government acted with the utmost impartiality and left everything to the voters. That attitude will always be maintained. There need be no fear about it. Therefore, the Executive do not enter into it at all.

After all, the changes will not be very material. Only in a few cases a few thousands may be added—not even half a lakh—in any constituency. We have worked it out. Therefore there need not be any apprehension. The upper limit is sought to be removed because the Select Committee felt that instead of having to change the figure every ten years, it would be much better to do away with the upper limit, owing to the fact that the upper limit will not exceed 8 lakhs in any case so far as the next elections on the 1951 figures are concerned.

PRINCIPAL DEVAPRASAD GHOSH (West Bengal) : The point on which I want clarification from the hon. Minister is more or less a technical point. In sub-clause (3) of article 81 it is laid down ; as the Law Minister has reminded us :

"Upon the completion of each census, the representation of the several territorial constituencies in the House of the People shall be readjusted by such authority, in such manner and with effect from such date as Parliament may by law determine :",

and in sub-clause (c) of clause (1) :

"The ratio between the number of members allotted to each territorial constituency and the population of that constituency as ascertained at the last preceding census of which the relevant figures have been published shall, so far as practicable, be the same throughout the territory of India."

The point on which I should like to have some clarification is this. Unless one has got some maximum number as a definite basis, on what basis will this calculation be made ? That is to say, the minimum number you have got is 5 lakhs, and the maximum now is 7 1/2 lakhs. Now, when this readjustment is to be made, on what basis will the proportion be fixed by Parliament for every election in the light of the figures revealed by each census ? That is the point on which I seek clarification. Unless some definite figure—7 1/2 lakhs, 8 lakhs, 9 lakhs—is taken as a definite basis on which the calculation for adjustments is to be made, I fail to see how the adjustments will be made in future.

SHRI C. C. BISWAS : There is not much difficulty. Sub-clause (c) of clause (1) sets the limiting factor. You need not have any limits at all which you find in sub-clause (b). Provided the maximum number of members and the minimum number of members in the House were laid down, clause (b) might have been deleted altogether. because clause (c) would be sufficient to limit the number of seats. That is the limiting provision. If hon. Members would look at article 170 which deals

[ Shri C. C. Biswas. ]

with State Legislatures, there is a proviso to clause (2) which says :

"Provided that the total number of members in the Legislative Assembly of a State shall in no case be more than five hundred or less than sixty."

If you add a similar provision fixing the maximum number and the minimum number of the House of the People, then you would not require this sub-clause (b) at all. You do not find anything corresponding to subclause (b) in relation to Legislative Assemblies of States.

PRINCIPAL DE V A P R A S A D GHOSH : But on what basis are the numbers to be fixed ?

SHRI C. C. BISWAS : As a matter of fact, you have got to readjust the proportion of representation on the basis of the population, as ascertained at the census. There is no difficulty there. The number of members in the House is laid down as 500. You must divide the population by 500 and you get the average number in each constituency. That is how it is worked out. There is no difficulty.

MR. DEPUTY CHAIRMAN: The question is :

That the Bill further to amend the Constitution of India, as passed by the House of the People, be taken into consideration.

There is to be a division. This is to be passed by a two-thirds majority.

The House divided:

AYES—125

Abdul Shakoor, Molana Abid Ali, Shri Agnibhoj, Shri R. U. Agrawal, Shri A. N. Agrawal, Shri J. P. Ahmad Hussain, Kazi Ahmed, Shri Gulsher Aizaz Rasul, Begam Akhtar Husain, Shri Alva, Shrimati Violet Amolakh Chand, Shi i

Anant Ram, Pandit  
Barlingay, Dr. W. S.  
Bced, Shri I. B.  
Bhuyan, Dr. S. K.  
Bisht, Shri J. S.  
Biswas, Shri C. C.  
Biswasroy, Shri R.  
Budh Singh, Sardar  
Chandravati Lakhnupal, Shrimati  
Chaturvedi, Shri B. D.  
Chauhan, Shri N. S.  
Das, Shri Jagannath  
Dave, Shri S. P.  
Deogirikar, Shri T. R.  
Deshmukh, Shri R. M.  
Dharam Das, Shri.  
Dinkar, Prof. R. D. Sinha  
Doogar, Shri R. S.  
Doshi, Shri L. H.  
Dube, Shri B. R.  
Dube, Pandit S.  
Faruqi, Moulana M.  
Gupta, Shri R. C.  
Gupte, Shri B. M.  
Guruswami, Shri S.  
Hardiker, Shri N. S.  
Hathi, Shri J. S. L.  
Hemrom, Shri S. M.  
Hensman, Shrimati Mona  
Inait Ullah, Khwaja  
Indra Vidyavachaspati, Shri  
Italia, Shri D. D.  
Jafar Imam, Shri  
Jain, Shri Shriyans Prasad  
Jalali, Aga S. M.  
Kaleikar, Kakasahab  
Kapoor, Shri J. R.  
Karayalar, Shri S. C.  
Kaushal, Shri J. N.  
Khan, Shri A. S.  
Khan, Shri P. M.  
Khan, Shri Samiullah  
Kishori Ram, Shri  
Lahoti, Shri P. S.  
Lakshmi, Shri Lavji  
Lal Bahadur, Shri  
Leuva, Shri P. T.  
Lilavati Munshi, Shrimati  
Madhavan Nair, Shri K. P.  
Mahtha, Shri S. N.  
Maithilisharan Gupta, Shri  
Majumdar, Shri S. C.  
Malkani, Prof. N. R.

Mathur, Shri H. C.  
 Mazhar Imam, Syed  
 Misra, Shri S. D.  
 Mitra, Dr. P. C.  
 Mookerji, Dr. Radha Kumud  
 Mujumdar, Shri M. R.  
 Mukerjee, Shri B. K.  
 Nagoke, Jathedar U. S.  
 Narayan, Shri D.  
 Narayanappa, Shri K.  
 Nausher Ali, Syed  
 Nihal Singh, Shri  
 Onkar Nath, Shri  
 Pande, Shri T.  
 Parikh, Shri C. P.  
 Pattabiraman, Shri T. S.  
 Pawar, Shri D. Y.  
 Pheruman, Sardar D. S.  
 Pillai, Shri C. N.  
 Prasad, Shri Bheron  
 Puri, Shri M. L.  
 Pushpalata Das, Shrimati  
 Pustake, Shri T. D.  
 Raghubir Singh, Dr.  
 Rahamath-Ullah, Shri  
 Rajagopalan, Shri G.  
 Ranawat, Shri M. S.  
 Ranga, Prof. G.  
 Rao, Shri Rama  
 Ray, Shri S. P.  
 Reddy, Shri Channa  
 Reddy, Shri Govinda  
 Reddy, Shri K. C.  
 Reddy, Shri N. Sanjiva  
 Roufique, Shri M.  
 Saksena, Shri H. P.  
 Sarwate, Shri V. S.  
 Savitry Nigam, Shrimati  
 Seeta Parmanand, Dr. Shrimati  
 Shah, Shri B. M.  
 Shah, Shri M. C.  
 Sharda Bhargava, Shrimati  
 Sharma, Shri B. B.  
 Shoila Bala Das, Shrimati  
 Singh, Capt. A. P.  
 Singh, Shri Kartar  
 Singh, Shri R. K.  
 Sinha, Shri B. K. P.  
 Sinha, Shri R. B.  
 Sinha, Shri R. P. N.  
 Sobhani, Shri O.  
 Sumat Prasad, Shri  
 Surendra Ram, Shri V. M.

Tajamul Husain, Shri  
 Tanta, Shri R. P.  
 Tankha, Pandit S. S. N.  
 Tayyebulla, Maulana M.  
 Thakur Das, Shri  
 Vaidya, Shri Kanhaiyalal D.  
 Valiulla, Shri M.  
 Varma, Shri C. L.

NOES—12

Abdul Razak, Shri  
 Deshmukh, Shri N. B.  
 Ghosh, Principal Devaprasad  
 Gour, Dr. R. B.  
 Gupta, Shri B.  
 Kunzru, Shri H. N.  
 Mahanty, Shri S.  
 Mazumdar, Shri S. N.  
 Naidu, Shri Rajagopal  
 Narasimham, Shri K. L.  
 Rath, Shri B.  
 Sundarayya, Shri P.

MR. DEPUTY CHAIRMAN r-  
 The Ayes are 125, Noes 12. The motion is carried by a majority of the ■ I total membership of the Council and' by a majority of not less than two-thirds of the Members present and voting.

Now, we will take up the clause by clause consideration of the Bill. There are no amendments.

SHRI H. N. KUNZRU : Sir, I would like to speak on clause 2.

MR. DEPUTY CHAIRMAN : But there are no amendments.

SHRI H. N. KUNZRU : May be, but I want to oppose it. I have got a right under the Rules.

MR. DEPUTY CHAIRMAN ; The hon. Member may speak at 2.30 P.M.

The Council then adjourned for lunch till half past two of the clock.

The Council re-assembled after lunch at half past two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

MR. DEPUTY CHAIRMAN : Dr. Kunzru.

SHRI B. K. P. SINHA (Bihar) : Mr. Deputy Chairman, before the discussion begins I would like to know from you what is the scope of this •c'ebate? .

MR. DEPUTY CHAIRMAN : I have already asked Dr. Kunzru to speak. He is opposing clause 2.

SHRI H. N. KUNZRU : Sir, I shall be very brief in opposing this clause. I want to reply only to one or two points raised by the Law Minister. He was in an excited spirit. He wondered where those who were asking for an increase in the number of representatives would stop. They might ask for 550 members or even 10,000 members. May I say that we have a little more, though we have not the responsibility for carrying on the Government, sense •of responsibility than those who sit on the Benches to your right ?

„ SHRI C. C. BISWAS : On a point of personal explanation, Sir. When I said that what I meant was that when it is a question of figure, any number of amendments may be moved, and not quite seriously. I said any figure in any connection, if somebody says 2, another might say 5 and yet another might say 10 and so on. It is not for the purpose of ridiculing^ those who were asking for a larger number than I said that, and if I gave that impression I am exceedingly sorry and I hope Dr. Kunzru will kindly excuse me.

SHRI H. N. KUNZRU : I shall not dwell on this point therefore any more. But it is obvious that all of us who were asking for an increase in the number of representatives are not asking for anything unreasonable, are not asking for anything that is not supported by the examples of several countries. The size of the con-

stituencies is a matter of some concern to those who take part in parliamentary elections and it is likely that the size of a large number of constituencies may remain what it is now and the size of some of them may be unduly increased. Apart from this the constitutional position is deserving of some consideration. Article 81 requires a readjustment of the representation after every census but it does not prescribe any particular method by which this readjustment is to be made. It may be made either by increasing the number or by increasing the size of the constituencies. When this matter was discussed in the Constituent Assembly, the Constituent Assembly did not rule out any change in either respect. Of course, any change needed change of the Constitution but neither method was ru-ed out. Now, if the amendment proposed by the Select Committee is accepted, then the possibility of increasing the number of members is ruled out for ever. Surely whatever changes may be made to meet the present situation, the amendment should not go so far as to make an increase in the number of members impossible. If a readjustment can always be made by increasing the size of the constituency, nobody will ever consider the need for a change in the Constitution so as to increase the size of the House of the Representatives. I think that one has to state the proposition in that manner in order to make many more members realize than what some seem to do, how serious this simple looking amendment is. The Bill consists of two clauses and the Law Minister said"that the Bill puts forward a very simple proposition. I venture to think that the matter is not so simple as he considers it to be. We are making an important change in the Constitution. We are introducing a provision which had not been introduced by the Constituent Assembly. The Constituent Assembly could have laid down that the size of the House shall not be increased beyond 500 representatives but it did not do so. It left it to the future Parliament to consider this matter from time to

time and I think that it is not in accordance with the spirit of the Constitution that an amendment should be accepted which would for ever bar any increase in the number of representatives.

Lastly, my hon. friend the Law Minister seems to be perturbed by the idea of an increase in the number of members. We always like what we are used to, but the great need these days is to prepare ourselves mentally for change. This is not a static age. A man whose ideas don't move at the present time is doomed to be left behind, and if we "want our country to make rapid progress, we must prepare to make changes in our ideas in consonance with the situation. What is there in the idea of increasing the number of members from 500 to 512 or 525 or to any number upto 600 ? They should not frighten or perturb anybody here.

I referred, Sir, to the case of the American House of Representatives. But I may refer to the Lower Houses in other countries also. There is France, Sir, where the National Assembly consists of 627 members and the Council of the Republic, that is, the Upper House, of 320. These are the numbers fixed by the Constitution passed very recently. If the Law Minister does not mind a reference to the U. S. S. R., I may point out that the number of representatives in the Soviet Union is 682 and in the Soviet National Assembly, 652. In England, the number of members in the House of Commons is 625. It is true that no other Legislature, except the central Legislature in England carries on with the business, with such a large number. What we are now concerned with is the practicability of co-ordination of business with a large number of membership. Is there any complaint that the House of Commons, in spite of its size, is not suited to its work— that the work there is impeded because of its size ? Everyone knows that members of the House of Commons take part in those debates in which .59 C.S.D.

they are particularly interested. I have no doubts that even if the number of members here increases the number of members attending the meetings of the House will not rise in the same proportion. I therefore, think, Sir, as I have already said more than once that in place of increasing the size of the constituencies, the size of the House of the People should be increased. That would enable us to reduce our representation from time to time in a democratic manner without impeding the transactions of the growing business of the Parliament.

SHRI B. GUPTA : Mr. Deputy Chairman, Sir, certain points have been raised in the course of the discussion which compel me to answer them. For, the amendment of a Constitution is not an unimportant or insignificant matter. The Constitution is amended with a view to broadening the field of democracy or widening the scope of democratic process. Fortunately, in every progressive country, the Constitution is sought to be amended with a view to increasing the possibility of democratic advance. But here is a case in which, Sir, the amendment has been proposed with a view to investing the powers that be with the power to enlarge the constituencies whenever they like. Sir, for everything, there should be a limit. If experience gained in the last elections have taught anything, it is this, that the constituencies should be sizeable so that the democratic process may become really workable. Big constituencies may suit rich people who can go round the constituency and run the show of elections. It may suit the big people who take the constituencies as something which are to be made use of by them for raising themselves" into positions of power. But if you look at it from the point of view of contact with the people or from the point of view of serving the people or getting their confidence, or if you look at it from the point of view of getting public opinion represented in Legislatures,

[Shri B. Gupta.]

Sir, the constituencies should be such as will serve all these purposes possible. Unfortunately, I find that huge constituencies are there. The argument has been advanced by the hon. the Law Minister that all the constituencies cannot be cast in the same way. Nobody has suggested that. But a limit should be there. As far as possible there should not be any room for gerrymandering by the party in power. When you go to delimit, you must have certain guiding rules which may be agreeable to all. This is a factor which has to be taken into account. Smaller constituencies make it possible for better elections. Somebody from that side was telling that it does not lie in the mouth of the people who believe in totalitarianism to raise the question of Parliamentary democracy. These words should have been addressed to some other quarters, the quarter from which the hon. Member springs. Sir, the amendment has totalitarian proclivities. The amendment seeks to enlarge the constituencies so that they become more difficult for democracy to function. Therefore, it is no use saying that it does not lie in the mouth of somebody to criticise it. It lies in anybody's mouth to get up from any side of the House. We are asked to express our opinion without getting prior opportunity of consulting the people outside. Naturally, it relates to the constituencies and therefore to the people and it is a matter of public interest and public importance. That is why, I say, the discussion should have been held on the Bill here after some amount of discussion outside. It has not been so. Knowing that whenever they want to amend the Constitution they can do so, the Congress wants to amend the Constitution for their benefit and they do so in the twinkling of an eye. But whenever you find the cry for amending the Constitution for the good of the people in the interests of the general public for stopping payments of compensation to Zamindars, you always get the excuse of some section of the Constitution.

The Constitution is amended not for doing something good but for doing something worse.

Then, the hon. the Law Minister was saying that he felt a little scandalized about the size of the number of the Members in the House of the People. That is the impression I got. He felt a little scandalized. Sir, I may say that he should have also felt a little scandalized over the size of the Ministry. Taking into account the Members of both the Houses together, every fifteenth member of the Congress Party is either a Minister or a Deputy Minister or a Parliamentary Secretary. The size of the Ministry is big enough to scandalize our tender feelings. You cannot have one way traffic. If you feel that you are scandalized, by all means entertain that feeling. But have that both ways.

Sir, Prof. Ranga was thinking in terms of efficiency. He said that it should be small, sizeable and a limit should be therefor efficient functioning and all sorts of things. Now, what I want to submit is that efficiency of the Parliament does not depend upon the size or on the show of hands or on the manner in which we shout "Yes" or "No". It all depends upon the political character of the Parliament. It depends in particular on the party in power. It is for the leading party inside the Parliament to run it in a manner which would make it much more efficient and much more useful and agreeable to the people. Efficiency is an abstract phrase. There was a time when the British Government was ruling the country. We did not have big Legislatures because we were told that efficient functioning of the Government would not be ensured thereby. They had a small council of some gentlemen. Their elegant photographs are hung in the walls of this building. You see there some people in ties and all sorts of things. These people were supposed to be the custodians of the country; they were supposed to be running the

entire show. I think we have passed that stage.

A big Parliament, a much bigger Parliament, for a big country like ours, would be an asset if it is founded on the solid foundations of democracy. You should not fight shy of Parliament. Then, after all, Parliament means a lot to many of us, in so many ways—I mean for some of us. Then why should you stifle it? Therefore, this view is entirely wrong. What I would like to emphasise is that in a country like ours, it may be necessary to enlarge Parliament. I think it will be necessary, to increase the size of the Parliament. The constitutional limitations are not unchangeable. When the people want to change it, we must bow and submit. My hon. friend, Pandit Kunzru, has very well put it. It was not even the intention of the Constitution to limit the size of the Parliament. Sir, it will not be the monopoly of one party, the party in power, to decide things once for all. You must take the wisdom of the people here, the thoughts of our people here. "The size of the Parliament should be reduced, and therefore efforts should be made to reduce it"—that kind of speech should not be made. You talk about democracy. At the same time, you try to restrict and limit the Parliament. Has the Government consulted the voters? Does the Government not care for them? Then Sir, the question of the other House, of both the Houses, has been raised. I wish to go into this point. This is a country where so many nationalities live within the common framework that is India, and the full expression of national interests should find a place here. We find that the other House—let alone this House, which has been treated in a somewhat step-motherly manner—is sought to be a little stifled, restricted,—and operated upon. I think, if the Ministers go about in this way, a time will come when nothing will be left. After all, not even a year has passed since we have got this Parliament, and now you want to restrict its power by all sorts of wrong political approach,

abandoning elementary principles and commonsense of democracy. Therefore this Bill should be abandoned. When we got this Bill we were perturbed about it. Our anxieties after hearing the hon. Member's speech, I may say with due respect, have been increased. Therefore, I want to say a few things. Sir, what is essential today is that you have to reconcile to the idea of expanding things. What is essential today is to make the constituencies smaller and linked very closely with the Members of the Parliament. It is necessary that all the Members of Parliament should speak every day.

MR. DEPUTY CHAIRMAN : You are repeating Mr. Gupta. Too many repetitions.

SHRI B. GUPTA : Yes Sir, I am very mindful of that—3-15. That is much more important, because we want to get that thing done. The question is not that the Members do not speak. The Congress Members are not speaking perhaps because they find themselves out of tune with the Congress Ministers. That is why they do not speak. There was a time in the AICC, when we found a huge section, a large number of Congress members speaking violently. It is because of the political whips and artificial loyalty, that they are not speaking. If the country becomes really democratic so many members will be there to speak and express their opinion openly. The hon. Member in the other House— Mr. Tandon—yesterday spoke—I wish him to speak in this House also and tell the truth. That would make the Congress think a little better.

MR. DEPUTY CHAIRMAN : Mr. Gupta, all that is irrelevant to the Bill.

SHRI B. GUPTA : Relevance—yes. I can quite understand your point. But the question is, if the party in power is not relevant, then, we of necessity must be irrelevant to become relevant to their arguments.

[Shri B. Gupta]

Therefore, all that I have to say here is that the arguments the hon. Minister has advanced have only confirmed our fears, and we feel that the whole thing will be used to cripple whatever democratic possibilities there still exist, with a view to gerrymandering the constituencies. Whenever the Congress fears defeat, it wants to get out of the difficulties by changing the constituencies. However, before enlarging the constituencies this matter should be placed before the Parliament and the State Legislatures, so that these things are discussed by all parties concerned before any practical steps are taken. These things should not be left to the bureaucrats, because they live in a world of their own, without any connection whatsoever with the people. They cannot know what the people really want. Therefore, I say, all the parties should meet and consider whatever steps are proposed to be taken. I do not know if we shall ever have this kind of chance. That is all I can say in justification of the stand of our party, of the people who sit here, in justification of democracy, and indeed of this House, of this Parliament, which is sought to be made a useless show. This Bill seeks to jeopardise the powers and possibilities of Parliament.

PRINCIPAL DEVAPRASAD GHOSH: I just want to draw attention to a small matter.

MR. DEPUTY CHAIRMAN :  
You want to speak ?

PRINCIPAL DEVAPRASAD GHOSH:  
Yes, will you please let me ? I should like to speak for 2-3 minutes.

SHRI C. C. BISWAS : We are hard pressed for time.

SHRI C. G. K. REDDY (Mysore) : The Council is a deliberating body. Let it take its own time.

(MR. CHAIRMAN in the Chair.)

MR. CHAIRMAN : What is the position now ?

PRINCIPAL DEVAPRASAD GHOSH: I want to speak only for one or two minutes Sir; it will help the hon. Minister. Just before dispersing for lunch today I had asked the hon. the Law Minister for clarification, as to how the readjustment of the number of population for one Member of the House of the People was going to be made. The hon. the Law Minister was kind enough to say that that could be done by calculating the average, you divide the entire population of India by 500 and that will be the average, which will be taken into consideration by the officials when they fix the number for each constituency. I have taken some little trouble since then of going into the figures. The figures according to the census of 1951—the latest available figures—of the population of India is 36 crores and odd lakhs. If you divide that by 500, it comes to about 7,20,000. So that it seems to me—I am speaking purely from the arithmetical point of view—it seems to me that the present maximum limit of 7,50,000 has yet to be reached. 3 P.M. And as the article in the Constitution says, in assessing the number to be fixed for each constituency the figures in the last available census have got to be taken into account. And the last available census is the census of 1951, and the next census is not likely to take place before 1961. So I do not see any reason why we should be in such a despa-rate hurry to amend the Constitution on this point, because as a matter of fact, it will take a number of years—at least ten years—for the present census figures to be replaced by new figures. So I say, apart from other considerations, this matter need not be taken up in such great hurry, for there is ample time to discuss all the bearings of the matter from all sides before a decision is taken.

Sir, I shall not say anything more on the merits of the question, except to express my strong support to what fell from the lips of Dr. Kunzru, on the undesirability of fixing an absolute, definite limit to the size of the House of the People, even at

the cost of increasing the size of constituencies in such a manner as to render them almost unwieldy.

MR. CHAIRMAN : Shri Biswas.

SHRI C. C. BISWAS : Sir, all these points to which my hon. friend Principal Ghosh referred had been considered, not merely by the Government, but also by the other House and the Select Committee as well. They have been gone into very thoroughly. As a matter of fact, there is no difficulty—and we reached the conclusion that it should be possible, as I said in the opening remarks that I made, even on the basis of the increase in the census figures of 1951, to keep within the existing limits. There is no doubt about that. But that would have meant in some cases disturbing the administrative units. As a matter of fact, theoretically it should be possible to keep within the maximum limit of 7,50,000 and to create constituencies containing a population of not more than 7,50,000. But in that case the constituency might have to be carved out in such a way as to involve overlapping of boundaries of districts or of sub-divisions and so on.

PRINCIPAL DEVAPRASAD GHOSH: That is bound to happen.

SHRI C. C. BISWAS : But we want to do it in such a way as to cause the minimum disturbance to administrative units.

PRINCIPAL DEVAPRASAD GHOSH: But that is bound to happen in any case. That has actually happened.

SHRI C. C. BISWAS : But we want to reduce such cases to a minimum. That is the object. That was the direction which was given on the last occasion, and that direction was consistently applied in demarcating constituencies, and it is not proposed to depart from that. The result of last year's experience was that in some cases the maximum limit of 7,50,000 was exceeded, and therefore revised President's Order had to be issued in order to reduce

the number. That is why when the Bill was introduced originally the upper figure was 8,50,000, and working on the upper limit, it was possible to provide even for the next two censuses. We worked it out and found that it was possible, but then these other practical difficulties arise. For the purpose of avoiding these difficulties, this amendment was accepted by the Select Committee, doing away with the upper limit. But they added that in actually working out the proposals, care should be taken not to exceed 7,50,000—the present maximum limit. That was the idea. And I can assure my hon. friends here who are in a doubting state of mind, that that figure will not be exceeded, except in a very very limited number of cases, except where it is really unavoidable.

SHRI C. G. K. REDDY : But, Sir, the hon. Minister is creating more doubts than there were.

SHRI RAJAGOPAL NAIDU : Sir, I just want a point to be clarified. By this amending Bill you are trying to take away the upper limit, at the same time retaining the lower limit. The original difference between the lower and upper limits was 2,50,000 and as a result of this Bill the difference between the upper limit and the lower limit will always be increasing, and there will be no limit at all, it will be illimitable.

DR. R. B. GOUR (Hyderabad) : Just as the Ministry.

SHRI C. C. BISWAS : The lower limit might have been done away with, if we had fixed the minimum and maximum number of members in the House itself.

MR. CHAIRMAN : The question is :

That clause 2 stand part of the Bill.  
The House divided;

AYES—124

Abdul Shakoor, Molana  
Abid Ali, Shri

Agnibhoj, Shri R. U.  
 Agrawal, Shri A. N.  
 Agrawal, Shri J. P.  
 Ahmad Hussain, Kazi  
 Ahmed, Shri Gulsher  
 Aizaz Rasul, Begam  
 Akhtar Husain, Shri  
 Alva, Shrimati Violet  
 Amolakh Chand, Shri  
 Anant Ram, Pandit  
 Barlingay, Dr. W. S.  
 Beed, Shri I. B.  
 Bhuyan, Dr. S. K.  
 Bisht, Shri J. S.  
 Biswas, Shri C. C.  
 Biswasroy, Shri R.  
 Budh Singh, Sardar  
 Chandravati Lakhnapal, Shrimati  
 Chaturvedi, Shri B. D.  
 Chauhan, Shri N. S.  
 Das, Shri Jagannath  
 Dave, Shri S. P.  
 Deogirikar, Shri T. R.  
 Deshmukh, Shri R. M.  
 Dharam Das, Shri  
 Dinkar, Prof. R. D. Sinha  
 Doogar, Shri R. S.  
 Doshi, Shri L. H.  
 Dube, Shri B. R.  
 Dube, Pandit S.  
 Faruqi, Moulana M.  
 Gupta, Shri R. C.  
 Gupte, Shri B. M.  
 Guruswami, Shri S.  
 Hathi, Shri J. S. L.  
 Hemrom, Shri S. M.  
 Hensman, Shrimati Mona  
 Inait Ullah, Khwaja  
 Itatia, Shri D. D.  
 Jafar Imam, Shri  
 Jain, Shri Shriyans Prasad  
 Jalali, Aga S. M.  
 Kalelkar, Kakasaheb,  
 Kapoor, Shri J. R.  
 Karayalar, Shri S. C.  
 Kaushal, Shri J. N.  
 Khan, Shri A. S.  
 Khan, Shri P. M.  
 Khan, Shri Samiullah  
 Kishori Ram, Shri  
 Lahoti, Shri P. S.  
 Lakhmshi, Shri Lavji  
 Lal Bahadur, Shri  
 Lall, Shri K. B.  
 Leuva, Shri P. T.  
 Madhavan Nair, Shri K. P.  
 Mahtha, Shri S. N.  
 Maithilisharan Gupta, Shri  
 Majumdar, Shri S. C.  
 Malkani, Prof. N. R.  
 Mathur, Shri H. C.  
 Mazhar Imam, Syed  
 Misra, Shri S. D.  
 Mitra, Dr. P. C.  
 Mookerjee, Dr. Radha Kumud  
 Mujumdar, Shri M. R.  
 Mukerjee, Shri B. K.  
 Nagoke, Jathedar U. S.  
 Narayan, Shri D.  
 Narayanappa, Shri K.  
 Nausher Ali, Syed  
 Nihal Singh, Shri  
 Onkar Nath, Shri  
 Pande, Shri T.  
 Parikh, Shri C. P.  
 Pattabiraman, Shri T. S.  
 Pawar, Shri D. Y.  
 Pheruman, Sardar D. S.  
 Pillai, Shri C. N.  
 Puri, Shri M. L.  
 Pushpalata Das, Shrimati  
 Pustake, Shri T. D.  
 Raghu Vira, Dr.  
 Raghubir Singh, Dr.  
 Rahamath-Ullah, Shri  
 Rajagopalan, Shri G.  
 Ranawat, Shri M. S.  
 Ranga, Prof. G.  
 Rao, Shri Krishna Moorthy  
 Rao, Shri Rama  
 Ray, Shri S. P.  
 Reddy, Shri Channa  
 Reddy, Shri Govinda  
 Reddy, Shri K. C.  
 Reddy, Shri N. Sanjiva  
 Saksena, Shri H. P.  
 Sarwate, Shri V. S.  
 Savitry Nigam, Shrimati  
 Seeta Parmanand, Dr. Shrimati  
 Shah, Shri B. M.  
 Shah, Shri M. C.  
 Sharda Bhargava, Shrimati

Sharma, Shri B. B.  
 Shoila Bala Das, Shrimati  
 Singh, Capt. A. P.  
 Singh, Shri Kartar  
 Singh, Shri R. K.  
 Sinha, Shri B. K. P.  
 Sinha, Shri R. B.  
 Sinha, Shri R. P. N.  
 Sobhani, Shri O.  
 Sumat Prasad, Shri  
 Surendra Ram, Shri V. M.  
 Tajamul Husain, Shri  
 Tamta, Shri R. P.  
 Tankha, Pandit S. S. N.  
 Tayyebulla, Maulana M.  
 Thakur Das, Shri  
 Thanhlira, Shri R.  
 Vaidya, Shri Kanhaiyalal D.  
 Valiulla, Shri M.  
 Varma, Shri C. L.

NOES—13

Abdul Razak, Shri  
 Deshmukh, Shri N. B.  
 Ghosh, Principal Devaprasad  
 Gour, Dr. R. B.  
 Gupta, Shri B.  
 Imbichibava, Shri E. K.  
 Kakkilaya, Shri B. V.  
 Kunzru, Shri H. N.  
 Mahanty, Shri S.  
 Mazumdar, Shri S. N.  
 Narasimham, Shri K. L.  
 Rath, Shri B.  
 Sundarayya, Shri P.

MR. CHAIRMAN : The result of the division is :

Ayes 124  
 Noes 13

The motion is carried by a majority of the total membership of the Council and by a majority of not less than two-thirds of the Members present and voting.

Clause 2 was added to the Bill.

#### SHORT NOTICE QUESTIONS AND ANSWERS

MR. CHAIRMAN : I shall just interrupt the proceedings for a little to have the short notice questions answered. Mr. Sundarayya.

#### FORMATION OF ANDHRA STATE

17. SHRI P. SUNDARAYYA : Will the Prime Minister be pleased to state :

(a) what steps have already been taken by Government in pursuance of his statement in the Council for the formation of Andhra State ;

(b) what further steps Government propose to take in the matter ; and

(c) by what time the Andhra State will be formed ?

MR. CHAIRMAN : Prof. Ranga.

18. PROF. G. RANGA : Will the Prime Minister be pleased to state what action has so far been taken by Government in pursuance of his statement in the House during the last week regarding the formation of Andhra State ?

MR. CHAIRMAN : Dr. Katju.

THE MINISTER FOR HOME AFFAIRS (DR. K. N. KATJU) : Sir, in furtherance of the statement the Prime Minister made in this House on the 9th December, 1952 and, in terms of that statement, the Government of India have decided to establish an Andhra State consisting of the Telugu speaking areas of the Present Madras State but, not including the City of Madras and, intend to take early steps to this end in accordance with article 3 of the Constitution.

Government are appointing Mr. Justice K. N. Wanchoo, Chief Justice of the Rajasthan High Court to consider and report on the financial and other implications of this decision and the questions to be considered in implementing it. Mr. Justice Wanchoo will report by the end of January 1953. On receipt of this report, Government will take other necessary steps.

They are anxious to avoid all possible delay in establishing the new State. They hope that the establishment of this State will be brought about with the friendly co-operation of all the people concerned.

SHRI P. SUNDARAYYA : Sir, will the hon. Minister be pleased to state whether we can expect a Bill for the formation of Andhra to be introduced in the next Session ?

MR. CHAIRMAN : Expectation ? It is all right.

DR. K. N. KATJU : Sir, you have been pleased to answer the question for me. We shall do our best. As the Prime Minister has said, and as this statement points out, there shall be no avoidable delay on the part of this Government. We shall do the best that we can and we appeal for co-operation of all the people and, particularly, of course, the people of Tamil Nad and of the Telugu Desha.

SHRI C. G. K. REDDY : What are the exact terms of reference that are proposed to be given to Mr. Justice Wanchoo ?

DR. K. N. KATJU : The exact terms ? May I read it again ?

SHRI C. G. K. REDDY : No. I have listened to it ; but, I wanted to know the .....

DR. K. N. KATJU : The exact terms will be a more precise formulation of the language used here, namely, the financial and other implications of this decision, and, the questions that will arise, that are bound to arise, for instance, the appointment of the Governor, the appointment of the High Court, then, the buildings, the offices, hospitals, the university, and other public institutions. Hon. Members know as to how the city of Madras has been functioning these days as between Tamils and Andhras. You cannot take away the capital just in 15 days' time. All these questions will arise and we want to have a precise formulation by this learned Judge, and he will report to us within 30 days. Then we will take further steps.

SHRI N. SANJIVA REDDY : ay I know when he will be going there ?

DR. K. N. KATJU : I hope in the first week of January.

SHRI ABDUL RAZAK : May I know whether Government have considered the fact that even after the formation of the Andhra State the Madras State would still remain a composite State requiring further readjustments ?

MR. CHAIRMAN : That is another question. It does not arise from this.

PROF. G. RANGA : If I am permitted, may I express my gratification on this occasion ?

SHRI RAJAGOPAL NAIDU : May I know whether there is a proposal to appoint a boundary commission in this respect ?

MR. CHAIRMAN : All those steps will come later.

SHRI C. G. K. REDDY : I do not think the question of a boundary Commission arises at all.

MR. CHAIRMAN : Not at this stage.

**THE CONSTITUTION (SECOND AMENDMENT) BILL, 1952—  
continued.**

MR. CHAIRMAN: The question is That clause 1, the Title and / the Enacting Formula stand part of the Bill.

The House divided:

**AYES—124**

**Abdul Shakoor, Molana**  
**Abid Ali, Shri**  
**Agnibhoj, Shri R. U.**  
**Agrawal, Shri A. N.**  
**Agrawal, Shri J. P.**  
**Ahmad Hussain, Kazi**  
**Aizaz Rasul, Begam**  
**Akhtar Husain, Shri**  
**Alva, Shrimati Violet**  
**Amolakh Chand, Shri**  
**Anant Ram, Pandit**  
**Barlingay, Dr. W. S.**  
**Beed, Shri I. B.**  
**Bhuyan, Dr. S. K.**  
**Bisht, Shri J. S.**  
**Biswasroy, Shri R.**

Budh Singh, Sardar  
 Chandravati Lakhanpal, Shrimati  
 Chaturvedi, Shri B. D.  
 Chauhan, Shri N. S.  
 Das, Shri Jagannath  
 Dave, Shri S. P.  
 Deogirikar, Shri T. R.  
 Deshmukh, Shri R. M.  
 Dharam Das, Shri  
 Dinkar, Prof. R. D. Sinha  
 Doogar, Shri R. S.  
 Doshi, Shri L. H.  
 Dube, Shri B. R.  
 Dube, Pandit S.  
 Faruqi, Moulana M.  
 Gupta, Shri R. C.  
 Gupte, Shri B. M.  
 Guruswami, Shri S.  
 Hathji, Shri J. S. L.  
 Hemrom, Shri S. M.  
 Hensman, Shrimati Mona  
 Inait Ullah, Khwaja  
 Indra Vidyavachaspati, Shri  
 Italia, Shri D. D.  
 Jafar Imam, Shri  
 Jain, Shri Shriyans Prasad  
 Jalali, Aga S. M.  
 Kalelkar, Kakasabeb  
 Kapoor, Shri J. R.  
 Karayalar, Shri S. C.  
 Kausthal, Shri J. N.  
 Khan, Shri A. S.  
 Khan, Shri P. M.  
 Khan, Shri Samiullah  
 Kishori Ram, Shri  
 Lahoti, Shri P. S.  
 Lakhamsi, Shri Lavji.  
 Lal Bahadur, Shri  
 Lall, Shri K. B.  
 Leuva, Shri P. T.  
 Madhavan Nair, Shri K. P.  
 Mahtha, Shri S. N.  
 Maithilishran Gupta, Shri  
 Majumdar, Shri S. C.  
 Malkani, Prof. N. R.  
 Mazhar Imam, Syed  
 Misra, Shri S. D.  
 Mitra, Dr. P. C.  
 Mookerji, Dr. Radha Kumud  
 Mujumdar, Shri M. R.  
 Mukerjee, Shri B. K.  
 Nagoke, Jathedar U. S.  
 Narayan, Shri D.  
 Narayanappa, Shri K.  
 Nausher Ali, Syed  
 Nihal Singh, Shri  
 Onkar Nath, Shri  
 Pande, Shri T.  
 Parikh, Shri C. P.  
 Pattabiraman, Shri T. S.  
 Pawar, Shri D. Y.  
 Pheruman, Sardar D. S.  
 Pillai, Shri C. N.  
 Prasad, Shri Bheron  
 Puri, Shri M. L.  
 Pushpalata Das, Shrimati  
 Pustake, Shri T. D.  
 Raghuvira, Dr.  
 Raghuvir Singh, Dr.  
 Rahmath-Ullah, Shri  
 Rajagopalan, Shri G.  
 Ranga, Prof. G.  
 Rao, Shri Krishna Moorthy  
 Rao, Shri Rama  
 Ray, Shri S. P.  
 Reddy, Shri Channa  
 Reddy, Shri Govinda  
 Reddy, Shri K. C.  
 Reddy, Shri N. Sanjiva  
 Roufique, Shri M.  
 Saksena, Shri H. P.  
 Sarwate, Shri V. S.  
 Savitry Nigam, Shrimati  
 Seeta Parmanand, Dr. Shrimati  
 Shah, Shri B. M.  
 Shah, Shri M. C.  
 Sharda Bhargava, Shrimati  
 Sharma, Shri B. B.  
 Shoila Bala Das, Shrimati  
 Singh, Capt. A. P.  
 Singh, Shri Kartar  
 Singh, Shri R. K.  
 Sinha, Shri B. K. P.  
 Sinha, Shri R. B.  
 Sinha, Shri Rajendra Pratap  
 Sinha, Shri R. P. N.  
 Sobhani, Shri O.  
 Sumat Prasad, Shri  
 Surendra Ram, Shri V. M.  
 Tajamul Husain, Shri  
 Tamta, Shri R. P.  
 Tankha, Pandit S. S. N.  
 Tayyebulla, Maulana M.  
 Thakur Das, Shri

Thanhlira, Shri R.  
Vaidya, Shri Kanhaiyalal D.  
Valiulla, Shri M.  
Varma, Shri C. L.

## NOES—14

Abdul Razak, Shri  
Deshmukh, Shri N. B.  
Ghosh, Principal Devaprasad  
Gour, Dr. R. B.  
Gupta, Shri B.  
Imbichibava, Shri E. K.  
Kakkilaya, Shri B. V.  
Kunzru, Shri H. N.  
Mahanty, Shri S.  
Mazumdar, Shri S. N.  
Naidu, Shri Rajagopal  
Narasimham, Shri K. L.  
Rath, Shri B.  
Sundarayya, Shri P.

MR. CHAIRMAN : The result of the division is :

Ayes 124

Noes 14

The motion is carried by a majority of the total membership of the Council and by a majority of not less than two-thirds of the Members present and voting.

Clause 1, the Title and the Enacting Formula were added to the Bill.

SHRI C. C. BISWAS : I move : That the Bill be passed.

MR. CHAIRMAN : The question is :

That the Bill be passed.

We have to call for a division again.

The House divided:

## AYES—123

Abdul Shakoor, Molana  
Abid Ali, Shri  
Agnibhoj, Shri R. U.  
Agrawal, Shri A. N.  
Agrawal, Shri J. P.  
Ahmad Hussain, Kazi  
Ahmed, Shri Gulsher  
Aizaz Rasul, Begam

Akhtar Husain, Shri  
Alva, Shrimati Violet  
Amolakh Chand, Shri  
Anant Ram, Pandit  
Barlingay, Dr. W. S.  
Beed, Shri I. B.  
Bhuyan, Dr. S. K.  
Bisht, Shri J. S.  
Biswasroy, Shri R.  
Budh Singh, Sardar  
Chandravati Lakhnapal, Shrimati  
Chaturvedi, Shri B. D.  
Chauhan, Shri N. S.  
Das, Shri Jagannath  
Dave, Shri S. P.  
Deogirikar, Shri T. R.  
Deshmukh, Shri R. M.  
Dharam Das, Shri  
Dinkar, Prof. R. D. Sinha  
Doogar, Shri R. S.  
Doshi, Shri L. H.  
Dube, Shri B. R.  
Dube, Pandit S.  
Faruqi, Moulana M.  
Gupta, Shri R. C.  
Guruswami, Shri S.  
Hathi, Shri J. S. L.  
Hemrom, Shri S. M.  
Hensman, Shrimati Mona  
Inait Ullah, Khwaja  
Indra Vidyavachaspati, Shri  
Italia, Shri D. D.  
Jafar Imam, Shri  
Jain, Shri Shriyans Prasad  
Jalali, Aga S. M.  
Kalelkar, Kakasaheb  
Kapoor, Shri J. R.  
Karayalar, Shri S. C.  
Kaushal, Shri J. N.  
Khan, Shri A. S.  
Khan, Shri P. M.  
Khan, Shri Samiullah  
Kishori Ram, Shri  
Lahoti, Shri P. S.  
Lakhamsi, Shri Lavji  
Lal Bahadur, Shri  
Lal, Shri K. B.  
Leuva, Shri P. T.  
Madhavan Nair, Shri K. P.  
Mahtha, Shri S. N.  
Maithilisharan Gupta, Shri  
Majumdar, Shri S. C.  
Malkani, Prof. N. R.

Mazhar Imam, Syed  
 Misra, Shri S. D.  
 Mitra, Dr. P. C.  
 Mookerji, Dr. Radha Kumud  
 Mujumdar, Shri M. R.  
 Mukerjee, Shri B. K.  
 Nagoke, Jathedar U. S.  
 Narayan, Shri D.  
 Narayanappa, Shri K.  
 Nausher Ali, Syed  
 Nihal Singh, Shri  
 Onkar Nath, Shri  
 Pande, Shri T.  
 Parikh, Shri C. P.  
 Pattabiraman, Shri T. S.  
 Pawar, Shri D. Y.  
 Pheruman, Sardar D. S.  
 Pillai, Shri C. N.  
 Prasad, Shri Bheron  
 Puri, Shri M. L.  
 Pushpalata Das, Shrimati  
 Pustake, Shri T. D.  
 Raghu Vira, Dr.  
 Raghubir Singh, Dr.  
 Rahamath-Ullah, Shri  
 Rajagopalan, Shri G.  
 Ranga, Prof. G.  
 Rao, Shri Krishna Moorthy  
 Rao, Shri Rama  
 Ray, Shri S. P.  
 Reddy, Shri Channa  
 Reddy, Shri Govinda  
 Reddy, Shri K. C.  
 Reddy, Shri N. Sanjiva  
 Saksena, Shri H. P.  
 Sarwate, Shri V. S.  
 Savitry Nigam, Shrimati  
 Seeta Paramanand, Dr. Shrimati  
 Shah, Shri B. M.  
 Shah, Shri M. C.  
 Sharda Bhargava, Shrimati  
 Sharma, Shri B. B.  
 Shoila Bala Das, Shrimati  
 Singh, Capt. A. P.  
 Singh, Shri Kartar  
 Singh, Shri R. K.  
 Sinha, Shri B. K. P.  
 Sinha, Shri R. B.  
 Sinha, Shri Rajendra Pratap  
 Sinha, Shri R. P. N.  
 Sobhani, Shri O.  
 Sumat Prasad, Shri

Surendra Ram, Shri V. M.  
 Tajamul Husain, Shri  
 Tamta, Shri R. P.  
 Tankha, Pandit S. S. N.  
 Tayyebulla, Maulana M.  
 Thakur Das, Shri  
 Thanhlira, Shri R.  
 Vaidya, Shri Kanhaiyalal D.  
 Valiulla, Shri M.  
 Varma, Shri C. L.

NOES— 13

Abdul Razak, Shri  
 Deshmukh, Shri N. B.  
 Ghosh, Principal Devaprasad  
 Gour, Dr. R. B.  
 Gupta, Shri B.  
 Imbichibava, Shri E. K.  
 Kakkilaya, Shri B. V.  
 Kunzru, Shri H. N.  
 Mahanty, Shri S.  
 Mazumdar, Shri S. N.  
 Narasimham, Shri K. L.  
 Rath, Shri B.  
 Sundarayya, Shri P.

MR. CHAIRMAN : Ayes! 23 / Noes 13.

The motion is carried by a majority of the total membership of the Council and by a majority of not less than two-thirds of the Members present and voting.

The Bill is passed.

### THE IRON AND STEEL COMPANIES AMALGAMATION BILL, 1952

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI) : Mr. Chairman, I beg to move :

That the Bill to make a special provision, in the interests of the general public and the Union, for the amalgamation of certain companies closely connected with each other in the manufacture and production of iron and steel, and for matters connected therewith or incidental thereto, as passed by the House of the People, be taken into consideration.

(MR., DEPUTY CHAIRMAN in the Chair.)

[Shri T. T. Krishnamachari.]

Sir, I do not think that it is necessary for me to tell the House all the background, behind this Bill, because the matter has been before the country for quite a long time and was discussed in the other House as well. On the 29th October 1952, an Ordinance was promulgated by which the Indian Iron and Steel Co. and the Steel Corporation of Bengal Ltd. were amalgamated into one company. Hon. Members of the House will know that these two companies were under the same management, viz., Messrs. Martin Bum & Co. The Steel Corporation of Bengal being a subsequent creation was dependent on the Indian Iron and Steel Co. for the Supply of hot metal and all ancillary services, i.e. power, water and gas. The geographical situation of the two companies happens to be such that to all intents and purposes they look like one company instead of being two, except it be for the Kulti plant which is about 7 miles away. Sir, hon. Members will know that the retention price of steel has been fixed from time to time by the Tariff Board and later by the Tariff Commission. Almost from 1948, whenever the question of the fixation of the retention price of steel came up before the Tariff Board or the Tariff Commission, they have pointed out that the fact that there are two companies with two different managing agency commissions, the profit of the Indian Iron and Steel Co. also going into the cost of production of the Steel Corporation of Bengal, made not merely for the price being uneconomic but also for the unit being generally inefficient. In the summary of the recommendations made by the Tariff Board in their report of 1949, they have dealt with this aspect of the problem. They say :

"The works costs of the Steel Corporation are invariably higher than those of the Tata Company and the principal reasons for this difference are higher cost of material, higher expenditure on refractories and higher general works expenses."

Therefore they recommended that in the larger interests of the steel industry, amalgamation between the two companies would be desirable. They felt

that such an amalgamation would secure unified and coherent management and avoid duplication and waste, thereby obviating the tendency for the cost of production of steel there being, as I said, higher than the cost of the production of steel in the Tata Iron & Steel Co. In 1951, Sir, when this question of retention price of steel again came up before the Tariff Board, they devoted whole paragraphs to this question of integration of the two plants. In Paragraph 43A they pointed out that the Board had already recognised the difficulty in fixing a fair retention price because of the uneconomic working of the two plants and they recommended that the possibility of integrating the plants and amalgamating them should be examined. There was a further revision of retention price of steel this year because of certain increases in railway freights and production charges and the Tariff Commission in paragraph 11 of its report again raised this question of merger of the two companies and in doing so, they have categorically said that the relative financial position of the two companies and particularly the position of the Steel Corporation of Bengal will greatly improve if the revision of S C O B's retention prices for 1951-52 was accepted by the Government, and they therefore thought that that was the proper time for amalgamating the two companies and they felt that the principal gain from the national standpoint is that the merger will greatly facilitate the implementation of the expansion schemes of the Indian Iron & Steel Co. and the Steel Corporation of Bengal. The financial commitments involved in these schemes, in their opinion, was so large that neither company would find it easy to undertake them by themselves, and on the other hand the amalgamated concern with their combined resources would be in a much stronger position to raise the additional resources required for expansion. They therefore recommended that the companies should make a determined effort to bring about amalgamation of the two plants. Sir, it was just about this time that the Government were negotiating with these concerns in regard to

expansion of their plants. Certain tentative arrangements were made and informal agreements were entered into which, if implemented, would result in the combined plant producing 320,000 tons of additional steel and 380,000 tons of pig iron, or alternatively 400,000 tons of steel and 280,000 tons of pig iron per annum.

Hon. Members of this House would have been aware that the Government had already agreed to lend to this firm (SCOB) Rs. 5 crores for expansion on the usual terms under which Government lend money to such concerns, and certain developments were in progress, but it was felt that in order to achieve the targets mentioned by me more money should be given to the plants. One of the principal impediments in the way of those expansion schemes was lack of foreign exchange, and it was in this regard that the idea of negotiating a loan from the International Bank for Reconstruction and Development was taken up. A delegation of the Bank officials came here and discussed with the Company the problem of amalgamation and the nature of expansion and the technical experts of the Bank also discussed these problems with the experts of the Company such as the right method that could be adopted by which expansion could be most economically and efficiently done. It was as a result of these discussions that the Company was able to arrive at these two alternatives which the Government had approved. In fact in the original idea that the Company had in their discussions with the Government, it was possible that they might have needed a larger amount of finance and it is by reason of the fact that the experts from the International Bank had more or less focussed on the weak points and pointed out that the remedy of those weaker links would enable them to produce more steel at a more economical price and quickly, that the Government were able to reduce the amount of money needed for the expansion and at the same time augment the possibilities of producing more steel.

But then if the International Bank is to lend money, as I believe they are going to, to a private company here they don't do so except with the guarantee of the Government of this country and if the Government is to provide the guarantee in the interests of production of more steel, naturally we would like the unit which is to be lent money and which is guaranteed by the Government, to become more efficient and produce steel at a price which is economic, at any rate, at the same price as that of Tatas, which is considered to be a normally economic unit. Therefore Government also wanted this conference of amalgamation of these two concerns. I am happy to say that the management had agreed to the amalgamation. Ordinarily an amalgamation of two Companies would be carried out under the provisions of Sections 153, 153A and 153B of the Companies' Act. If that procedure was to be followed, there would be a considerable amount of delay in the amalgamation becoming effective. For one thing, it is well known that one of the scrips of the Company— Indian Iron and Steel Co.— it is probably the most highly speculative scrips in the share market and any shareholder would have stopped the process of amalgamation, at any rate, arrested it for some time and the delay would have been something which from the point of view of the national interest would have to be avoided. It is by reason of the fact that amalgamation was imperative and necessary and had to be undertaken as soon as possible and that the loan from the International Bank was contingent on the amalgamation, as our guarantee was also contingent on the amalgamation and thirdly promise of additional finance which we gave to the company was also contingent on the fact that the company became an efficient unit, Government had to undertake recourse to an Ordinance to amalgamate the two companies. In this procedure very naturally Government was not able to decide by themselves and it would be improper if they had so done— fixing the fair ratio between the shares of the two companies, and we thought that the best outside authority which

[Shri T. T. Krishnamachari.] can deal with this matter was the Tariff Commission, particularly because of the fact that from time to time the Tariff Commission and its predecessor the Tariff Board had gone into the economics of this undertaking and they knew very well the financial position of the two companies. The question was therefore referred to the Tariff Commission and in their report, copies of which, I believe, have, been circulated to Members of the House, they had recommended that so far as the ordinary shares were concerned, the amalgamation should be carried out on the basis of 4 shares of Indian Iron and Steel Company for every 5 shares of the Steel Corporation of Bengal. So far as the preference shares are concerned, they are treated on more or less equal basis.

SHRI M. VALIULLA (Mysore) : What about mortgaged shares ?

SHRI T. T. KRISHNAMACHARI : I don't know about it. As a matter of fact if there are any shares mortgaged or otherwise, the shares would be treated on the same footing. The House might ask one or two more particulars because they would like to know what the position of the talks with the International Bank is today. I believe the Talks are very near completion though I don't think the agreement has yet been signed. Questions may be raised as to the amount of control the International Bank will have. I could assure the House that the control would just be the ordinary lien on the property of the companies and particularly in view of the fact that the Government is guaranteeing the return there is nothing further that they would be able to do with regard to the working of the company. Reference has been made in the other House and elsewhere about the Government giving a loan to this company in addition to the 5 crores that they have already lent. True, we have agreed to give them another 5 crores on the same terms as the 5 crores that have been lent. In addition we have promised them up to 10 crores from a

Development Fund which is to be constituted. The main condition of that is that until the time the enlarged unit starts producing, we shall not charge them any interest. Naturally the rate of interest to be charged and how the interest is to be paid, whether there should be any increase in the retention price when they pay interest because interest becomes part of the stock would have to be determined by the Tariff Commission. It was also mentioned that there was a possibility of this loan not having a maturity period—more or less a gift. Nothing is farther from the thoughts of Government because Government cannot give away anything free—what is legitimately part of the Consolidated Fund and thereby belongs to the general revenues of the country. The question of repayment will have to be decided only after a time. Very possibly we might have to defer the question of repayment until other loans, which have a priority, are repaid and it has been also mentioned to the company as possibility that as soon as the market is favourable, they should go in for a equity capital. Then naturally this special loan would have priority in repayment. So there is no commitment on the part of Government, and no commitment could possibly have been made in regard to giving away the special loan which is to be interest free for a period. It is true that we can charge interest even now but the interest we charge on special loan during the period of expansion before the increased output comes into being would be an additional charge on the present production of steel and therefore the consumer will have to pay. We will have to fix a retention price. So the question of interest can be considered when expansion scheme is complete and additional steel is being produced. It all depends upon what the costs are and naturally when they are high it will mean additional burden on the consumer. That is all I have to say at the present moment.

I would say in conclusion that the Government have carefully gone into this particular matter. Somebody

in the other House raised the question of competence of the Government. We have consulted our advisers—our legal advisers—and we are quite convinced on what we are doing. There might be questions here and there. Nobody can provide against somebody questioning anything that is being done by the Government or Parliament. The only thing I can say is that such questions will be decided at the appropriate time by the proper authorities. Other questions like Finance might arise. The questions are legitimate—it may be that this might be an occasion for raising it also. But at the moment Government propose to use these two units that are now there for the purpose of expansion of our steel capacity and steel production as early as possible. Government have under consideration the starting of other units. Very possibly, they might be under the Government's direct control. While the question of nationalisation of units is not altogether brushed aside, there is no question at present of nationalization of these units. That is why we have chosen to make these units more efficient and economic.

The question of profits and all those things arise. I would like to inform the hon. Members of this House that where there are controls over industrial units, the remuneration that is presented to the companies is fixed by an independent body like the Tariff Board and those companies who work on block capital get an 8 per cent, return. It is for the Tariff Board, from time to time, to review whether they should continue the same percentage or increase the percentage. Whatever that be, they fix it in accordance with the economic changes in the country and in accordance with the consumer's price. In these matters, the Government are not taking any decision either to injure or favour the companies. It has been left to the Tariff Commission. I therefore claim that what the Government is doing in this regard is without any bias one way or the other and without any definite affiliation one way or the other. They are solely guided by what they consider

to be the best in the circumstances.

KHWAJA INAIT ULLAH (Bihar) :  
How much production will be increased by this amalgamation ?

SHRI T. T. KRISHNAMACHARI :  
There are two alternatives. The possibility is that we might increase production of steel by 320,000 tons in which case we shall have a free pig iron capacity of 38,000 tons. In the alternative, the increase will be 400,000 tons in which case the free pig iron will be reduced. There are two alternatives and it will be decided as we go on. Anyhow, the maximum increase in yield is 400,000 tons steel and the minimum 280,000 tons free pig iron.

MR. DEPUTY CHAIRMAN : Motion moved :

That the Bill to make special provision, in the interests of the general public and the Union, for the amalgamation of certain companies closely connected with each other in the manufacture and production of iron and steel, and for matters connected therewith or incidental thereto, as passed by the House of the People, be taken into consideration.

SHRI RAJENDRA PRATAP SINHA (Bihar) : Mr. Deputy Chairman, Sir, this Bill for the amalgamation of the two Companies, namely, the Indian Steel Company and the Steel Corporation of Bengal is none too early, but, as a matter of fact, it is a measure that was long over due. I am very glad the hon. Minister has taken this step in the right direction in view of the repeated emphasis by the Tariff Board and the Tariff Commission for such an amalgamation.

There is no doubt, Sir, that this is a step in the right direction which will increase the steel production in this country. When we consider a little, we shall find that it is not the private affairs of these companies, but we shall find that the existence of these two companies, as separate entities, has cost the country tremendously

[Shri Rajendra Pratap Sinha.]  
and to my mind, Sir, it is apparent from the reports of the Government that the existence of these companies, whose financial integration was almost complete and which were under the same managing agency was a great fraud played upon this country by foreign interests, with the set purpose of maximising their profits. The contention I am making has been amply made clear also by the speech of the hon. Minister and it will be further clear if I refer to some of the portions of the Tariff Commissions Report on Steel, 1951. But before I do so, I would like to acquaint the House with the share holdings of this Corporation, that is to say, the Steel Corporation of Bengal by the Indian Iron and Steel Company, which is mentioned in the Tariff Commission's Report on page 2 and 3 :—

" The position in regard to SCOB is :

The Directors and their family members, staff and associates of this company held 35,580 shares ; Martin Burn Ltd., managing agents, 1,00,032 shares and the Indian Iron and Steel Company holding the Steel Corporation of Bengal, 1,10,000 shares "

Further, Sir, it is clear that a good majority of the shares are held by the foreign interests in both the Companies.

Sir, it appears from that the SCOB Company was promoted by the managing agents of the Indian Iron and Steel Company with a view only to make profits from this Company. Sir, the Managing Agents have been drawing a fat allowance of Rs. 15,000 per month and they would not have got this amount if the Indian Iron and Steel Company had manufactured steel as well.

Sir, let us see, as the hon. Minister has also said something about it, how the Indian Iron and Steel Company apart from the managing agents had been gaining by this great stage show of SCOB :

"At Tatas there are no 'inter-company' charges and the intermediate products of each phase of the operations are charged into subsequent operations at the pure 'works cost'.

At SCOB, on the other hand, the major raw material, pig iron, as well as certain others are purchased from IISCO at a price which includes certain elements of overheads and profits. Such additional charges in 1950 added approximately 17 per cent, to the charges for pig iron supplied to SCOB above the actual IISCO costs. The extra increment of cost of producing a ton of saleable steel which this 'inter-company' charge adds to steel produced at SCOB is approximately Rs. 14-6-0 per ton."

SCOB also purchases a number of services such as fuel, water, power and steam from Indian Iron and Steel Company on a cost plus service charge basis. Then, Sir, I would like to examine how the work cost per ton of saleable steel in the Tatas and the SCOB has increased, and how the Indian consumer and our national Government, which is one of the biggest consumers of steel for its nation building activities, have been robbed by this foreign concern. The work cost per ton of saleable steel increased at both the works between the years 1948 and 1950, but the magnitude of the increase of each plant is very different. In the Tatas, the total increase amounts to Rs. 5-66 per ton. For the SCOB, however, the overall increase is Rs. 43 -35 per ton. For the Tatas the increase in average cost amounted to 3 53% while the percentage increase of SCOB was 20-47. We find, Sir, that in spite of the increase in the cost of production, Tatas were able to hold down the prices of steel because of efficient management and because of their maximising the production to the installed capacity. Now what happens at this state—show business of SCOB ? The production of steel goes down and the Indian Iron and Steel Company does not find it profitable to sell the pig iron to the SCOB. This is also, Sir, evidenced from the Tariff Board's Report, page 36. " The company was questioned at great length, both during visits to the plant and at the Board's hearings, as to the reasons for the decreased production. The gist of the company's answers was that the loss in production was entirely due to a shortage of pig iron during four months of the year when one of the two blast furnaces was out of blast for re-lining.

The company's contention has been carefully examined but we have arrived at the conclusion that shortage of pig iron was not a contributing factor to the company's failure to achieve the Board's production targets." Sir, "the management's share of the responsibility for the increased cost," the Board says, "amounts to Rs. 12 per ton together with the additional cost resulting from increased usage of materials due to lower yields which was caused by deterioration in technical and metallurgical practices which amounts to Rs. 6 per ton, which makes a total of Rs. 18 per ton." This is the portion of the total cost increases which resulted from failure to achieve the production and usage targets fixed by the Board in 1948. But, Sir, during all this time, the Indian Iron & Steel Co., was producing the pig iron. But what happened to all that pig iron that they used to produce? An answer to this question may not be given to those who are conversant with the pig iron trade. Sir, during this period truckloads of pig iron flowed from an invisible spring in the black area near Asansole. No wonder that SCOB was starved of its pig iron supply by the Indian Iron & Steel Company. SCOB on their part, robbed the Peter, the Indian consumer to pay the Paul, the foreign investor and the Managing Agents.

Sir, I have quoted this at length, in order to apprise the House, and more so, the Government, of the financial juggleries which the foreign capitalists in the country do in order to rob the Indian consumer. Sir, it is very good that the Government has brought this Bill to force amalgamation of these two companies, but at the same time, Sir, the Government owes an explanation to this House, as to why the recommendations of previous Tariff Board which were made as early as 1948 were not implemented in these 4 years time, in the interests of maximising the steel production from these two units, as explained by our hon. Minister. Sir, It is a well known fact that we 59 C.S.D.

are short of steel supplies. Our consumption has been estimated at 7 million tons whereas the production is only a million ton. Sir, the Indian steel prices are the lowest in the world, being Rs. 300 per ton in 1949, whereas the average price in 1949 for steel imported from abroad ranged from Rs. 600 to Rs. 640 per ton. Sir, it is a great negligence on the part of Government not to have given effect to the recommendations of the Tariff Board in these four years, in spite of the fact that they were aware of the difficulties India was facing in getting steel supplies from abroad.

Sir, it is good that the hon. Minister has clarified some of the press reports regarding the granting of loan to this company at a future date. But I have not been able to appreciate, Sir, his argument for considering to give a loan interest free; but I would not like to dilate on this point. This is still in a state of consideration, but I do hope we shall get an opportunity to consider it when the proper time comes.

It is very gratifying to note from the statement of the hon. Minister that the Government is thinking to put up a new plant for steel production in this country at an early date. The Planning Commission has also made provision for establishing a steel unit in this country. As you are aware, Sir, India is very fortunately placed in the matter of resources, and the States of Bihar and West Bengal possess very good iron ore mines, and they have also got coal by their side which enables them to produce the cheapest steel in the world, after Australia. Sir, I do hope that the hon. Minister will bear these economic factors in mind and accept the recommendations of the expert firm which is known as the Kopper's Report, and locate the steel plant mainly on considerations of economic factors.

In this connection I may be permitted to press the claim of Bihar

[Shri Rajendra Pratap Sinha]

for the location of this new plant. I request that this new plant may be located at a site in Bihar as recommended in the Kopper's Report, so that this may enable us to serve the country by giving you the best and cheapest steel.

SHRI B. C. GHOSE (West Bengal) : Mr. Deputy Chairman, I am not against the scheme of amalgamation as such. Everybody realises the importance of a basic industry like iron and steel and the urgent need for its expansion, and anything that serves that end naturally deserves support. But there are certain things in connection with this amalgamation on which I should like to have information- I presume that this amalgamation is being pushed through by this extraordinary procedure in the interest primarily of the public and not of the companies concerned. If that presumption is correct, then certain points arise and these points converge on the issue as to whether this is being done primarily in the public interest.

The first point, as the hon. Minister has pointed out is that the Tariff Board and the Tariff Commission had on many previous occasions argued in favour of this amalgamation. Why is it that—not the Government but the companies—why is it that the companies had not acted upon this advice so long ? And what has aptned today that the companies are agreeable to this amalgamation ? In this context, I should like to read something from the speech which Leslie Martin delivered at the last annual general meeting of the company :

" With the growing shortage of iron and steel and the anxiety of Government to improve the supply of both, and with the visit of representatives of the International Bank, the question came to a head with the results with which we are now familiar. It is a splendid opportunity, whether from short or long term point of view, upon which shareholders of both companies may well congratulate themselves."

I presume therefrom that in the earlier years the shareholders would not have congratulated themselves if such an amalgamation had taken place. How have things changed now in the interest of the shareholders so that the amalgamation is looked upon with so much favour ? What has changed in the meantime ? I understand that certain assurances have been given to the company that money will be provided for carrying on the schemes of expansion, and that in the determination of retention prices, things will work out more favourably for the company ; and I am persuaded to that opinion from these observations of the chairman in the same speech. He says :

"The effect of acceptance by Government of the recommends t on regarding retention prices, namely, calculation of retention prices on the same principles as have been applied in the case of Tatas will be that both companies when merged will benefit by receiving what may be considered an economic price for the hot iron and services which had previously been reduced entirely in the interest of the consumer who had never been at any time even in the picture when the agreement of 1937 had been made. Full overheads and profits will be calculated on the value of entire Hinpur b'eck and included in future retention prices of steel This will make a substantial addition to the amount of depreciation and return on investment at present allowed and will be included in calculation of retention prices."

I should like to know from the hon. Minister as to what this implies. What was it that was always being done previously in the interest of the consumer to which they were ; presumably in the opinion of the chairman, not entitled and which will not happen now ? The hon. Minister knows very well and the Tariff Board has stated that in regard to the increase of cost, out of Rs. 44 in the increase on saleable steel manufactured by SCOB as much as Rs. 33 were due to deficiency in the general standards of technical and managerial efficiency. Is it implied now that although that situation will not very much improve, more profits will be obtained by the company owing to revised calculation of retention prices ?

There is another observation which is also very interesting, in regard to the loans which these companies will have i.e., about Rs. 15 crores from the International Bank and about Rs. 16 crores all together from the Government. Now, the shareholders of the company might be apprehensive as to how such a large loan will be serviced and what will be the effect on the company. Here is what the chairman says :

" It is true we are to carry a large burden of debt estimated at present to amount to Rs. 31 crores to carry out extensions. But the terms offered and now being finalised between the Government of India and the International Bank are expected to be such that you will not only be able to meet your liabilities both as regards the principal and the interest, but there may be a certain margin left which will help you to expedite the discharge of your liabilities. The position will be that when you have paid off your debt under these terms, you will have added to the value of your assets and your block many crores of rupees on which you will receive the usual overheads and profit without having had to make any financial contribution. I hope you will realise in what a fortunate position you are and in which you are likely to remain."

I have no doubt about the fortunate position in which the managing agents and the shareholders of the company will be. The hon. Minister stated that the retention prices may have to be recalculated when the loan will be paid and, one of the reasons why interest will not be charged for four years, that is up to 57 or 58, is, that otherwise, prices of steel may be enhanced to the consumer immediately. Now, Sir, here is a very important difference in the way industries are being treated. What it amounts to is this. I realise, in the case of this Company, it will never lose whatever may be the market condition. So far as this company is concerned, its profit is always assured because Government says that in the retention prices, all costs, including the interest and the servicing of capital will be taken into consideration. Therefore, what it amounts to is that you are assuring, whatever

the market conditions may be, a position to the company in which it will always make profits. That is, I believe, going too far in the interest of a company unless there are sufficient *quid pro quo* so far as the Government is concerned. Now, are there any *quid pro quos* so far as the Government is concerned in all these agreements ? What is the Government or the consumer or the public gaining out of this scheme, apart from the fact, which of course, is desirable, that there will be expansion of production in steel ? We know that and we have no quarrel with that ; but, we would also secured this result if certain other alternative arrangements were made. Therefore, certain questions arise. A question which the hon. Minister had also referred and also dismissed, namely, that of nationalization because, at the moment, Government are not prepared to take this up. I do not know for what reason ; probably, because of the fact, that they have not sufficient administrative and technical personnel. But, that would also apply to any other new scheme that the Government might have in view. Have Government in the next place laid down any conditions in regard to the dividend that may be earned by this company or the commission that the Managing Agents may take. I see here that, for the last 3 years, the Indian Iron & Steel Company has been paying a dividend of 10%. Why should not that be reduced to 6% which is the rate of dividend permitted to companies which take loans from the Industrial Finance Corporation ? Why should this company be placed in a special position ? Cannot Government claim a share in the Managing Agency commission ? They are supplying all the finance which is enabling the company to carry out this expansion which will bring it quite good profits. Without this Government assistance, the Company could not have done anything and, if that is the case—I do not know what the legal position is, but—why should not the Government have something in the Managing Agency commission ? As everybody

[Shri B. C. Ghose.]

is aware, it is the financier in any concern who gets a major share in the profits of the company and here the financier primarily will be the Government because it will be either directly through Government agency or else through its guarantee that this amount of about Rs. 31 crores will be found. So, it is necessary to know as to whether the Government could get anything out of this company's profits.

This is the information that I should like to obtain from the hon. Minister as I feel that as the company is being reorganised or expanded on Government initiative, with Government resources, the Government and the public and not the company should derive the utmost benefit that may arise out of this amalgamation scheme.

Shri B. GUPTA (West Bengal) : Mr. Deputy Chairman, this scheme is to facilitate or expedite the amalgamation of two important companies. If it were merely a question of amalgamation of two business concerns, we would have probably ignored it but, we know, Sir, it is not merely that. Not that we are not interested in stepping up the production of steel ; we undoubtedly want and, if by any arrangement production of steel goes up, we certainly would like to be interested in that also. But, there are also other aspects to the problem which need to be discussed when we discuss a Bill of this sort. For instance, in the Bill it is stated, in the preamble, "whereas for the purpose of securing, in the interests of the general public and the Union, the efficient and economical expansion and working of the iron and steel industry in India, it is essential that the Steel Corporation of Bengal, Limited, and the Indian Iron and Steel Company, Limited, which are engaged in the manufacture and production of iron and steel, should be amalgamated." Therefore, the question of the public and the Indian Union is very important for our consideration. Sir, it has been stated by the hon. Minister

that both these concerns are under the management of one Managing Agency, viz., Martin Burn Co. Now, these three companies which are involved in this scheme of things are Martin Burn Co. and the two iron and steel companies, the SCOB, i.e., the Steel Corporation of Bengal, and the Indian Iron & Steel Company. As far as we know, Sir, these three companies make a family in which certain British multimillionaires and certain Indian multimillionaires are living in sin for the past two generations.

Sir, if you take the composition of the management of these three concerns, you will find that the same person happens to be in almost all the three. Mr. Leslie Martin happens to be the Chairman of the Martin Burn Co. He is also the Chairman of the Board of Directors of the Indian Iron & Steel Company. Mr. Biren Mookerji is on the Directorate of both these companies and is also the Chairman of the Steel Corporation of Bengal. In Martin Burns, there is Mr. L. Martin, Mr. Liveredge and Mr. E. G. Spooner. These are the three Englishmen and there are two Indians, Mr. Biren Mookerji and Mr. S. N. Mukherjee—I do not mean our Secretary here, that is a different man. Now, Sir, out of these 5, 3 are Englishmen. In the Indian Iron & Steel Company, there are Mr. Leslie Martin, Mr. Esplern, Mr. Methold and, there are four Indians. In the Steel Corporation of Bengal, you will find Mr. Elkins and Mr. Liveredge and, in addition, of course, there are the Maharaja of Burdwan and Mr. Biren Mookerji, the Chairman, and two other Indians. This is how they are intertwined as far as the management side of the whole concern is concerned taking the three as a whole.

Sir, again, it is stated in the report itself that the Indian Iron & Steel Company holds 11 lakh ordinary shares in the SCOB and those shares have a face value of Rs. 1,10,00,000

and, therefore, these two companies are inter linked that way also. Then again you come to the distribution of the shares. These things are stated in the reports ; but the trouble with the Government reports is this that whether it is Tariff Board or some other Board, they always throw overboard the facts that we want to know. Sir, if you look at this report, you will find that they have presented the facts in a particular manner. Out of these you can cull out certain facts which are vital and should interest anyone regardless of the party to which he may or may not belong. Sir, you will find that there are, in the Indian Iron & Steel Company, 25,52,596 ordinary shares of Rs. 10 each. Out of these shares, 3,31,084 shares are held by people outside India. We know that those shares are held by Britishers. Then, you come to the Steel Corporation of Bengal. There are 32,88,890 ordinary shares, again of Rs. 10 each. Out of these, 1,80,594 are held by these people—as they say, outside India. They do not divulge their nationality, but we know they are almost all of them, Britishers. Now, in these two companies the shares held by foreigners, people outside India—Britishers— amount to Rs. 51,24,380. A large chunk of shares is held by people who live outside India. This is the first point.

Then again, you will find that in both these companies, banks, insurance companies and investment companies hold substantial shares. I should like to refer to page 2 of this report which deals with the ratio between the ordinary shares of the two concerns. In the Indian Iron and Steel Company, banks hold about 3,00,303 shares and in the case of SCOB, the number of shares held by banks is 2,46,140. Insurance and investment companies hold 3,06,583 shares in the case of the Indian Iron and Steel Company and 12,20,930 in the case of SCOB. It is not stated which are those banks and insurance companies. I can speak with a certain amount of knowledge in this matter—always sub-

ject to correction, because business is not my field—that most of these shares are held by foreign banks, and foreign insurance companies, and that the Indian element has a negligible share. The lion's share goes to the foreigners, whether they are held by individual shareholders or by financial concerns or by insurance companies. This is another aspect which, I think, should be very carefully noted.

Then we come to the managing agents. We find that the directors and their families hold 31,448 shares in the Indian Iron and Steel Company and 35,580 in the Steel Corporation of Bengal. Martin Bum Limited again hold shares as managing agents of both these companies : in the Indian Iron and Steel Company, 27,441, and in the Steel Corporation of Bengal, 1,00,032. This is the position: Foreigners and a set of people organised in a managing agency, about whose mismanagement you have just heard from the previous speaker, control the whole show. Let us not think that Indian interests are properly represented. We know how these two companies operate. These two companies operate mostly in our part, and we know how they operate and what are their ramifications—I am talking of economic ramifications.

Now, to come to the dividends paid, that is given on page 4. I would like the Congress Members to read it again when they go home : they have read it once, I suppose. I have made certain calculations for their benefit, and I will disclose them to the House. Heavy dividends have been paid on ordinary shares. I am not talking about preference shares. Ten years' figures are given here. In the case of the Indian Iron and Steel Company, the dividends varied between 3 3/4 per cent, and 20 per cent. Mostly it has been 10 per cent, and in some cases it has been 20 per cent. 7 1/2 per cent, and so on. Very heavy dividends have been given. Out of these dividends the foreigners received, in the course of that decade, Rs. 38,40,642-8-0, according to my calculation. It may be a little mistaken ; but roughly they received

[Shri B. Gupta.]

Rs. 39 lakhs. The face value of those shares, incidentally, is only Rs. 33,18,000. That is to say, the foreigners holding shares in this company had, during the last ten years alone, drawn dividends which amount to much more than the total face value of their shares. This is the position in the case of one company. Take the other, the Steel Corporation of Bengal. In this case, the shares held by foreigners amount to Rs. 1,80,540, as I have said, with a face value of Rs. 18,05,400. They have, during the same period, drawn on their ordinary shares Rs. 11,73,861. They have not gone quite so far as the other, because they have not drawn within ten years the full face value of their shares, but they have drawn a fairly large sum. This is the extent of profiteering in an industry which is supposed to be a national industry, which is supposed to serve the interests of the people, which is supposed to help us to lay the foundations of our economy. And there we find that the foreign elements, whether as shareholders or as managers, are taking away a large part of the money, probably out of the country. Even if the whole of it is not going out of the country, we do not know where they are putting that money. We do not think the control lies with Indians. Whether something is got out of that by way of income-tax is a different matter. But the point is that the money does not come within the scheme of our things, so that we can profitably utilise it for development purposes. These foreigners have between them drawn during the ten years Rs. 51,14,503/8. Not a small sum. It is a huge sum, to have been drawn out of these concerns, when India is deficit in regard to steel, when we need to make every effort to make up the deficit, when Indian consumers have to buy steel at a very high price, and when smaller industries are starved for want of steel.

I should have thought that the Bill that has been presented to us would provide against the kind of thing that I have pointed out—if I may say

so, against the kind of theft that is taking place in the economy of our country. That should have been, stopped. The hon. Minister has power to stop it. He can make provision in the Bill. Nothing of the sort has been done. It is a very important factor.

Much has been said about production. Before I deal with that, I would like to say something about management. The management is entirely in the hands of one family of Britishers. —the Martin family—and one family of Bengal—the Mukerjee family. Let us have no illusions about it. It is not as if the ordinary shareholders are in control. I have pointed out that a large number of shares is held by the directors and their friends and families. And all businessmen know what that means. The whole thing is under the control of the Martin family and the Mukerjee family. And a son-in-law has come in, because Mr. Banerjee, who happens to be the son-in-law of that Mukerjee family, is also a big guy in that concern. Therefore, it is a sort of small family, a kind of clique. A few Indians and a few Britishers manage this show.

Now, if you come to the other side of the story, namely, the merger, we are told that production will go up. It is true that if certain things are done the production is likely to go up, and there is no reason why it should not go up. But I would like to point out what they say in this connection. Mr. Spooner, who happens to be on the Board of Directors of Martin Burn Limited, the managing agents of both these concerns, said at a press conference held in Calcutta on the 14th November 1952 that the scale of actual expansion of production with the utilisation of loans could be ascertained only in 1957-58. He would not make any commitment in the matter to the press men. He said it could be ascertained in 1957-58, although on some other occasions some figures had been given. Although some figures have been given, there seems to be some doubt in the

mind of the Martin Burn Company which manages these two concerns. I would like to draw the attention of the hon. Minister here to this kind of thing.

Now, Sir, you will see that when they amalgamate, certain gains will come to them. Of that they are very happy. They are gloating over it. The hon. Member here raised certain points about it in order to get 'enlightenment as to the implications of this amalgamation. Sir, the Indian Iron & Steel Co. does not produce steel and because of this reason, it does not get the returns on its Hirapur block of capital, which comes to about 7½ crores of rupees. Now, as a result of amalgamation with the Steel Corporation of Bengal, they will get the returns on that block of capital at the rate of 8 per cent. This was stated by Mr. Leslie Martin himself in his speech to the shareholders of the Indian Iron & Steel Co. He said that "I the Indian Iron and Steel Company and SCOB may be informed that should Hirapur Iron Works be amalgamated with the SCOB, the retention prices of steel produced by the amalgamated concern will be calculated on exactly the same principle as had been applied in the case of Tatas." Now, Sir, we have worked it out. It comes to about 60 lakhs of rupees at the rate of 8 per cent, on 7½ crores. It comes to 60 lakhs of rupees without producing a single ton of steel, without increasing production. Just by a stroke of pen and with the blessings of this measure they will get right on the spot 60 lakhs of rupees as returns on their Hirapur block of capital. And they are very happy about it and they have said it in very many statements.

Then again, Sir, about the debts. Now, Sir, what are the terms of the debts? The Government of India would not charge any interest for four years and after that when the loan should be repaid, that would be left to them. No time has been fixed for the repayment of the loan and it has also been provided that if it is necessary to repay their loans, they can increase the

retention prices. That is to say, the consumers will have to be fleeced again through increment in the prices of steel. Now, this seems to be an impossible proposition to me. Now, if it was a loan, interest could have been fixed, time could have been fixed and Government should have seen to it that under no circumstances, the consumer's interests or the interests of the small producers who use the steel, were jeopardised or prejudiced. Nothing of the kind has been done. Now I am referring to Mr. Leslie Martin's speech at the shareholders' meeting published in CAPITAL dated November, 20, 1952. Sir, this is what he stated :

"But the terms offered and now being finalised between the Government of India, the International Bank for Reconstruction and Development and the Company are expected to be such that you will not only be able to meet your liabilities both as regards the principal and the interest, but there may be a certain margin left which will help you to expedite the discharge of your liabilities.

The portion will be that when you have paid off your debt under these terms, you will have added to the value of your assets and your block many crores of rupees on which you will receive the usual overheads and profit without having had to make any financial contribution. Under these circumstances, I hope you will realise in what a fortunate position you are and in which you are likely to remain. You will be the owners of one of the largest integrated plants outside the United States of America with possibilities, if opportunity arises, for even further expansion."

Sir, there is reason to gloat over these arrangements because the arrangements are such as have not only fully protected their interests, but have opened new possibilities of making money without making any expansion and of drawing funds at the cost of the consumers. That is the position, Sir.

Now, Sir, they have sent Mr. Biren Mukerjee to the United States who is negotiating with the International Bank. About the World Bank what does Mr. Spooner say? He is the Director of the Martin Burns Company. What Mr. Spooner says is quite interesting. He told the press men that tenders from foreign countries, which were

[Shri B. Gupta.] capable of supplying the company's requirements, would be invited, but the International Bank would also have a say in the matter of placing orders. Now, Sir, this is a business concern which is supposed to invite tenders from all over the world. But, the International Bank will have a say in the matter of selection of tenders, in the matter of the acceptance or rejection of tenders.

It is again stated in the *Economic Weekly* of 29th November 1952, that "The World Bank has been critical of the comparatively low prices fixed for Indian steel." There you are. The World Bank is not satisfied with the low prices of the Indian steel, they are very critical. They want the prices of steel to be raised. Such is the World Bank's attitude towards the consumer and this is the World Bank's attitude towards the concern, towards the Indian producers who will not have full freedom in the matter of dealing with tenders. This is from the *Economic Weekly*.

SHRI T. T. KRISHNAMACHARI : The *Economic Weekly* is not in our confidence. |

SHRI B. GUPTA : Sir, it may not be in your confidence.

Then, Sir, Mr. Spooner has also said something about .....

SHRI T. T. KRISHNAMACHARI : Maybe Spoonerism.

SHRI B. GUPTA : He should be in your confidence. Now, Sir, it is not a question of one being in your confidence or not. I am not going into that because that will be a waste of time. These statements have been made. They are published and I have only drawn your attention to them. This is all gathered from the reports which are by no means of political affiliation with which you totally disagree.

Sir, the Indian Government has been very generous with regard to the loan. But may I ask one question? Did you enquire about the financial position of Martin Burn and Co. before you advanced that loan? Sir, as far as I know, the Martin Burn Company is a very wealthy concern which has got wide business. They have got plenty of funds, money accumulated through a number of years. They can produce crores of rupees from other resources. Now if it had been found out that the Martin Burn Company could not find money from any other sources, the Government of India would have been justified in offering the loan free of interest for four years, but of course without leaving things to be decided and settled by the company at their sweet will. But I do not find any indication in any place that an attempt was made to find out the financial position of the managing agents themselves. My submission here, Sir, is this that the managing agents of that company are wealthy people and they can always find 5 or 10 crores of rupees from their own resources. What happens now? Now, these companies have decided—because we are short of steel—to compel the Government of India and the public in accepting a position where we have to offer them loans on their terms. In fact, Sir, the loan that has been offered to them has been \* ' offered not in the interests of the people of India, nor in keeping with the interests of the consumer but in the interests of these multi-millionaires. If you read this report, you will find that nowhere is any mention made of the consumers or of the smaller producers who require steel for carrying on their trade or business or for running their small factories or industries. The whole thing has been conceived in a manner which should be put to question and calls for very severe criticism. I am not against amalgamation as such, but this particular amalgamation might have been effected in a different manner. My complaint against the Government of India is that in sponsoring this Bill they have not taken into account the interests of the people, the interests

of the workers and the interests of the small man in industry. On the contrary, they have gone headlong to meet the dictates and promptings of these multi-millionaires who had reaped so much profit, so much dividend, during the last several years. I do not want to go into painful stories, but this is the only occasion when we can discuss these things. Therefore I shall speak freely. In this Bill the interests of the people have been absolutely neglected. It is not production alone that matters. Production is very important, we want more steel, but we want steel on our own terms. We want the steel to reach the small man. We want steel to be produced at prices which the Indian consumer can afford. We want steel to be produced under conditions which do not put money in such huge quantities into the coffers of these foreign exploiters. We want steel to be produced no doubt, but at the same time we want it to be produced in our own way. But no provision has been made in the Bill in regard to these aspects. They talk of production, but what about the workers? So many workers are involved there. We know, Sir, that an assurance has been given that workers will not be retrenched. This assurance usually means nothing. After the business is clinched, they come down upon the workers and retrench them. That has been our most unfortunate and lamentable experience. We hear also that as a result of this economisation, there will be rationalisation, and rationalisation will bring in retrenchment of workers. When you talk of production, you must keep in mind the real producers, the workers. Their interests should have been safeguarded at least in the Bill which is now before Parliament. I can understand their interests being overlooked in a company report or the report of the chairman of a board of directors, but when a Bill is sponsored here, the hon. the Commerce Minister should take a little interest in seeing that such things as the interests of the workers are properly safeguarded. It has not been done. There are so many other things to say, but I would only mention one thing, and what I

say I want to be confirmed or denied by the hon. the Commerce Minister. According to our information, we find that 371 per cent, interest in these concerns is in British hands. Therefore we are interested to know as to what will happen to them. Does it mean that after this amalgamation increased production would lead to increased profits for these people? As far as ore could make out from the speeches of Mr. Leslie Martin and Mr. Spooner, one finds that their prospects are very bright. Now, they have not declared any dividends. Why have they not done so? Many people do not know. They have not done it because, according to my sources of information in Calcutta, they thought that if the dividends had been declared before Parliament had done with this Bill, it might lead to some repercussions, with the result that Parliament might be a little agitated about the huge patronage that was being given to them. Therefore, they have given a sort of interim dividend and a hint has been put across that everything would be very well with the shareholders. Whenever Mr. Leslie Martin makes a speech—I know from press reports, I have got plenty of clippings of his— he seems to be very very happy. When I find an Englishman in his position being happy, I always smell a rat, and that is why I am drawing the attention of the hon. the Commerce Minister to the speeches that Mr. Leslie Martin has been making, since this amalgamation business has been on the agenda of the Government. Sir, this is the position. We know that, as usual, a nice speech will be made by the Commerce Minister in a somewhat Anglo-Saxon manner. Our Commerce Minister is a shrewd businessman. Having had wide experience in that field with Englishmen, he knows what sort of businessmen these Englishmen in India are. Therefore, I feel that at the bottom of his heart he knows what I am talking about. Probably the Bill, as I said, is so coloured and so tainted that he would not be in a position to unburden himself on the floor of the House, but even so, I consider it my duty to place the whole matter before the House. It is iron used to be carted

[Shri B. Gupta.] We want the industry to flourish but at the same time we want the profits to be controlled and ploughed back into our own industry. It should not be allowed to go to those who hold the shares from outside and pull the strings and get the Ministers to say whatever they like to say. We want to put an end to such a state of affairs. The hon. Minister there in the other House was a little touchy about it. When I read his speech I found he was very annoyed with hon. Mr. Hiren Mukerjee and he made all kinds of remarks. He said, Mr. Hiren Mukerjee and the capitalists in the country spoke in the same way.....

Amalgamate the concerns by all means, but separate the Indian from the British. This unholy relation, this unholy union, would only produce illicit results. We should not .....

SHRI T. T. KRISHNAMACHARI : Produce Anglo-Indians.

SHRI B. GUPTA : We should not put up with this sort of thing for any length of time. You should have made provision in the Bill itself to separate the Indian interests from the British. If this Bill is passed, the British interests will be in a very strong position. Their position has been strong for the past 25 or 30 years. If the Ministers come to Parliament to pass this measure, they should have made provisions to curb their power. Sir, this is a very important matter. I would point out to hon. Members of this House that this Bill is not as innocent as it looks. If you read between the lines, you would understand it better. Therefore, please do not be carried away by sweet speeches of the Commerce Minister here or by the wording of this particular measure. If you read it between the lines and also study this report which I have got here and also the speeches of Mr. Leslie Martin, you will find that an excellent arrangement is being made for profiteering, for getting more dividends and for moving the funds to underground channels, and finally out of India. We want protection against such a thing. We don't want our wealth to be drained out of this country.

MR. DEPUTY CHAIRMAN : Mr. Gupta, what happened in the other House is not relevant. You have already taken 50 minutes.

SHRI B. GUPTA : I thought it was relevant because the relevant person is here. But I say that this kind of thing—wishy-washy statements and sarcasms are meaningless when you deal with an important Bill. The hon. Minister should have some responsibility to understand the implications of it and when we point out he should have the humility to consider this thing and should not have the temerity to come out with all kinds of observations, or sarcasms against us. Therefore I say when he goes back home tonight he should consider this matter very seriously and go into it and come tomorrow to give a proper reply. The matter is one of vital importance. I know you are in a great hurry but we cannot allow you to run away like that. After all we are not in that bus. Therefore the position is that the national interests have to be guaranteed in every possible way.

MR. DEPUTY CHAIRMAN : You are repeating Mr. Gupta. No repetitions.

SHRI B. GUPTA : They may not listen to my repetition. Therefore I suggest that the measure should be reconsidered and all steps should be taken to guarantee the national interest.

that are jeopardised by the provisions of the Bill. Quite apart from the question of amalgamation as such there should be better provisions for safe-guarding the Indian interests first, and then we shall consider about other matters. I hope the hon. Minister will consider this and if he does not make a provocative speech, I don't think I will speak at the third reading.

SHRI T. T. KRISHNAMACHARI : Mr. Deputy Chairman, I am grateful to Mr. Sinha for his very critical support. I have no doubt that much of what he said has to be considered by the Government at the appropriate time. We are not exactly determining now the location of the third and fourth plant. I hope he meant the 3rd and 4th plant. We will certainly take into consideration, not merely the recommendation of Koppers but also the other people Meke and the third concern which submitted the report. The only fact is whether he would himself consider it proper to concentrate industries almost within an area of 200 miles. Perhaps he has also forgotten that the location of an additional plant in Bihar would mean an extra strain on our already over-strained railway system. So if my hon. friend would forgive me, it looks as though if and when the 3rd and 4th plant materialise, Bihar will have to wait for the 5th.

My hon. friend Mr. Ghose, as usual, put his finger on the weak spot and I recognize that a salesman that is to sell his wares is apt to exaggerate the quality of what he sells. I don't know Mr. Martin. I understood he is an aged gentleman. Apparently he does not come out very much and on the few occasions I go to Calcutta, I don't get an opportunity to meet him but he must be a very good salesman and my friend Mr. Biren Mukherjee will have learnt sufficient salesmanship from him. Personally I am unconcerned about what he says to his shareholders. If he paints to his shareholders a very rosy picture, he is welcome to do so. For take the claim that the new integrated plant would be the biggest one in Asia. You have only to go 120 miles to see a bigger plant

and if our expansion comes into being, the Tatas will be the biggest.

SHRI B. GUPTA : He said 'integrated plant'.

SHRI T. T. KRISHNAMACHARI : That is also integrated. The Tatas are not depending for the hot metal and their ancillary things on anyone. The Jamshedpur plant is much better integrated plant and it will produce another 180,000 tons in addition to the present capacity of 750,000 tons. They are producing to their capacity. So on one single fact, Mr. Martin is not accurate. I don't see why we should try to show him up. It is for his shareholders either to take in what he says or reject it but I would like to tell my friend Mr. Ghose that the letters addressed by the Indian Iron and Steel Company and the Steel Corporation of Bengal to the shareholders have been somewhat more circumspect. They have not mentioned all these claims which they made in the speech. Of course it is rather unwise to make a speech and get it published in the newspapers and at the same time not to put it in a document of this kind. I don't propose to attempt to refer to Mr. Martin's speech because I have not read it.

SHRI B. C. GHOSE : There were two or three points given about why amalgamation did not take place earlier and again he says something about retention prices—all these are probably facts.

SHRI T. T. KRISHNAMACHARI : On the question of the possibility of there being a larger block for the purposes of assessment of profit, should there be profit, he is perhaps right. At the same time he should not forget the person who has to approve of the retention prices for SCOB steel. I do happen to know that it is an inefficient unit. We are putting a lot more in the SCOB for the production of the same steel in comparison with the prices paid to the Tatas today; I would refer Mr. Ghose to the 1951

[Shri T. T. Krishnamachari.] Report, page 17. He will find in paragraph 14 the following :

- Effect of differences in corporate structures on works costs :

Such additional charges in 1950 added approximately 17 per cent, to the charges for pig iron supplied to SCOB above the actual IISCO costs. The extra increment of cost of producing a ton of saleable steel which this 'inter-company' charge adds to steel produced at SCOB is approximately Rs. 14-6-0."

Then they go on:

"SCOB also purchases a number of services such as fuel, water, power and steam from IISCO on a cost plus service charge basis. The service charge is an additional, 'intercompany' profit for which no corresponding element of cost appears in the Tata works accounts."

Then they go on emphasising the increase in cost emanating from different corporate structures. They say :

"These differences emanate chiefly from what may be termed 'loose' accounting practices at IISCO and SCOB, the result of which is inaccurate allocation of production and costs to departmental units and intermedial products and 'distortion of the structure of works costs."

I will refer my hon. friend to page 19 of the suno Rtpoit which says :

"By following such a policy, the Tata Company succeeds in holding down the 'general works' costs to about 14 per cent, and the charges for provisions to about 19 per cent, of its conversion costs, in departments, similar to those of SCOB. At SCOB, however, these items constitute respectively approximately 27 per cent, and 25 per cent, and come to a total of 52 per cent, of conversion cojts in comparison with a total of 33 per cent, at Tatas.

I will refer my hon. friend to page 21 of the same report where comparative costs are given. You will find in j the 1950 cost—I will take only one or two items—the following :

	SCOB	TATA
Billets	Rs. 195·64	125·30
Heavy rails	Rs. 205·11	145·05

Further on, in the next page the Report says :

"Of even greater significance is the fact that the spread in costs between the two woiks has shown a steady increase each year as indicated below : 1948 — 51-73, 1949 — 69-72 and 1950 — 8942 "

Therefore, lion. Members will find that while undoubtedly certain amount of advantages will ensue because of the compounding of the capital structure of the two companies in relation to taking the block capital for purposes of assessment and the over all profit— that you might perhaps concede— we have been paying and we shall pay 'for another four years much higher retention prices to SCOB on the oasis of cost as against TATAS which has an integrated plan and where the accounting is legitimate and without any looseness that arises out of the loose corporate structure of the plan of the SCOB. That course is a material gain so far as the consumer is concerned. Well, undoubtedly some benefit will ensue; but my own feeling is —and I have been advised to that effect—that the benefit to the consumer outweighs the benefit that will come to the company, except that the capital structure would be more solid and stable.

I should like to tell my hon. friend Mr. B. C. Ghose this fact—if the> will trust the Government in this matter—I am voicing my individual opinion on this matter. Our control over costs today in all these scheduled industries is so complete tnat you are in a position to determine the cost of the products in whatever manner you want. Of course, you have to be fair in doing it; but there is nothing to prevent me from telling TATAS or SCOB to morrow that I shall determine the cost by sending a cost accountant. If I give one rupee or two rupees more, it will run to lakhs of rupees, even crores. That is why you use an independent body. But there is nothing to prevent Government, in all fairness, from laying down the cost from time to time. If we ask the Tariff Commission to morrow and tell thtm, "We feel that the profit structure of the iron and steel industry

should be reduced to the same as in the textile industry, namely 6 per cent of the block capital," they have got to follow it and appraise their prices on that basis. But we give a differential rate because of certain factors that come into this particular industry. I would, however, like to give this assurance to the hon. Members—at any rate you will give us credit for being truthful when speaking in the House—that so far as I am concerned—and I have gone fairly thoroughly into this matter and ever since the time I took office some seven months back this is primarily my preoccupation—I have no doubt in my mind that in spite of the concessions that the company will enjoy and which they get by reason of the very liberal manner in which we have treated them, by providing the capital from the regular Budget, by guaranteeing loan from the International Bank, and by processing it ourselves—Finance and Commerce & Industries officers went to Washington for processing it—and our agreeing to give them interest free loan even before they start producing, so that the present cost may not increase, I still feel that we have done the very best for the nation in this matter. I may tell hon. Members that on the basis of 450,000 or 350,000 tons of steel and 380,000 or 480,000 tons of pig iron as the case may be, the new plant to be started may cost us more than Rs. 80 crores. Rather, the Rs. 80 crores plant would produce 350,000 tons of steel only and no pig iron. But here by getting about Rs. 12, 13 or 14 crores from the International Bank and giving another Rs. 18 1/2 crores, or in all about Rs. 32 crores, we nationalise the existing plant and make them produce what could be produced only if we spend more than Rs. 80 crores. Hon. Members will understand that this is saving some of the national wealth. That is what has made us very keen to persuade the people and to use that amount of pressure to make them fall into line and go ahead with the scheme. One of the advantages this country has is they have got a blooming mill to produce 650,000 tons, but today it is not being used for even half its capacity

and the blooming mill is practically a waste and the cost of the blooming mill goes into the production cost and puts up the cost. So we utilise some of the spare capacity in certain directions, at the same time producing steel at an overhead cost which from the national point of view, is very cheap.

Hon. Members may ask, "What is this concern?" The total capital structure is in the region of Rs. 4,48,00,000 for SCOB and Rs. 4,05,00,000 for IISCO, plus debenture of Rs. 1,58,00,000 in all something less than Rs. to crores, and less than the money you have to pay for nationalising the thing. It is certainly not worthwhile nationalising, if by giving this help you can make them produce this much of steel.

The question raised by Mr. Gupta in regard to the European interest in the concern. Well, I was not surprised that the hon. Member raised it. I know he feels very strongly about the presence of European capital in this country. I can only say that I do not feel strongly about it, because this.....

SHRI B. GUPTA : That is the tragedy of our times.

SHRI T. T. KRISHNAMACHARI : I don't know, history has to judge whose is the tragedy, his or mine. But I am merely mentioning it and I will not controvert my hon. friend. For one thing, he himself said that if I provoke him, he will make a long third reading speech and I do not propose to provoke him. But I appreciate his point of view. After all there was a time, about ten years back, when friends like him and myself were more or less rubbing shoulders and having more or less the same views. He goes a little farther and I have probably receded a bit but, it does not mean that I cannot appreciate what he says. His objection is that there is European capital and that European capital will benefit to the same extent as the Indian capital. He knows, Sir, Biren Mookerjee and his other partner better than I do; they are all facts and can't be disputed. But, Sir, we propose to work with

[Shri T. T. Krishnamachari.] people who invest capital in this country and there the whole discussion stops. So far as I am concerned, I make an admission which he thinks is something against myself, but, having made the admission, why should I argue him out of his point which is absolutely unnecessary? I think, Sir, that point is understood that we have recognised that there is European participation by way of share capital in many concerns in this country and, we are welcoming European participation in concerns that we start, the only over-riding consideration being that the Government will have an absolute and the last say in any matter of profits and the running of the concern.

The hon. Member mentioned something about the International Bank scrutinising tenders and all that. Naturally, the International Bank has got experts who might be able to advise where to purchase. While we want foreign exchange, the foreign exchange is not limited to dollars alone so that we don't have to buy in the United States of America alone; we can buy from anywhere we like. Naturally, somebody will scrutinise the tenders; we are not going to allow the new Corporation to buy wherever they like and pay fancy prices.

SHRI B. GUPTA : Even if there is no legal obligation, this kind of deal leads to a kind of obligation which you cannot evade. It has been so; the experience has been so. Even if it is stated in the contract that you need not buy in the United States, the fact remains that the World Bank exerts its influence to buy from the U. S. A.

SHRI T. T. KRISHNAMACHARI : As a matter of fact, I can tell my hon. friend categorically that there is no obligation to buy from the United States nor do I feel that any loan obtained from the World Bank is hedged in with conditions which are intolerable. I think the Bank loans on the same terms and conditions as any bank

normally does and we do propose to go back to the World Bank for other loans for other plans and we think we need foreign exchange—foreign resources being scarce—and we propose to make use of every possible agency to get foreign exchange for our purposes and, therefore, it is a matter in which again we will agree to differ and, so far as I am concerned, I feel, Sir, I have pride in my country and I have pride in my Government; I have probably pride in myself and as a Minister I am not going to mortgage my freedom to anybody where there is somebody else .....

SHRI B. GUPTA : You may even lose it in a state of absent-mindedness.

SHRI T. T. KRISHNAMACHARI : The hon. friend is provoking me, but, I do not propose to provoke him. The state of absent-mindedness does not normally come to people who have their feet in this country. I am always thinking about my country, about my people, about my Government, about my industries, .....

SHRI B. GUPTA : We do not talk about the Moon; we also talk about our people and our land.

SHRI T. T. KRISHNAMACHARI : Well, these are all subjective factors. They cannot be objective. If my hon. friend thinks that we on this side always talk about the Moon or think about it, or, are subject to lunar influences, I wish he can think so. Very possibly we are sometimes, when we go on striving to do our bit and when we find that it is not appreciated, it may be that a man who persists is under the influence of the Moon; but, that again, is a matter of subjective calculation and you cannot project objectivity in it.

Sir, on the whole, I must say that my hon. friend, Mr. Bhupesh Gupta has been extremely kind to me and, therefore, my thanks are in a great measure due to him, but, he said that I am a misguided old man who is not able to see things from the proper perspective. Perhaps my glasses are wrong and,

when I find I cannot use them, I shall go in for a new pair of glasses but, he has been very kind and I assure him that I shall not provoke him. I do hope that hon. Members of this House, at any rate, have so ne measure of satisfaction. Government have not entered into this matter blind- j folded but, with eyes open and, having j done so, they feel that this is the best I thing that can be done and, in the I circumstances, possible. We know j that we can produce 350,000 or 400,000 tons of steel with the many foreign I investments and, at the same time make use of a particular plan which I would claim, Sir, is a national plan and owned i>y me and by nobody else.

MR. DEPUTY CHAIRMAN : The question is :

That the Bill to nuke spcial provision, in the interests of the general public and the Un'on, for the amalgamation of certain companies closely connected with each other in the manufacture and product on of iron and steel, and for matters connected therewith or incidental thereto, as passed by the House of \*th: People, be tak:n into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN : We shall now take up clause by clause consideration.

Clauses 2 and 3 were added to the Bill.

MR. D E P U T Y CHAIRMAN : There is one amendment for clause 4 in the names of Mr. Sundarayya and Mr. Bhupesh Gupta.

SHRI B. GUPTA : Sir, I move.

At page 2. after line 18, the following be aided as a further proviso to clause 4 :

" Provided further that no part of such profits shall be allowed to be remitted or transferred outside India."

Sir, this is only a very simple amendment. I did not speak about it and I do not wish to dilate upon it.

I would request, if I may, the hon. Minister here, to accept this amendment because the profits that are made in this country as a result of the work should remain in India. The amendment is to that effect. I will just draw

his attention to one simple fact. The total capital invested by these two companies, the SCOB and IISCO amounts to, according to my calculations, Rs. 8,73,57,685 and the profits during the last ro years between 1940 and 1950 come to Rs. 8,81,16,098. As I have said already, out of these profits, a huge amount has gone abroad. Sir, he will realise the total profits have been heavy. We should ensure, by incorporating this amendment that no part of the profits so earned goes outside the country. If the hon. Minister cannot control Mr. Leslie Martin, he can at least control him sending away the money abroad, outside the shores of India. I move, Sir.

MR. DEPUTY CHAIRMAN : Amendment moved.

At page. 2, after line 18, the following be added as a further proviso to clause 4 :

" Provided further that no part of such profits shall be allowed to be remitted or transferred outside India."

The clause and the amendment are now open for discussion.

SHRI T. T. KRISHNAMACHARI : Sir, I am unable to accept the amendment because it goes contrary to the policy that has been laid down by this Government as indicated by the statement of the hon. the Prime Minister in 1949 in respect" of foreign investment.

MR. DEPUTY CHAIRMAN : I put the amendment first: The question is:

At page 2. after line 18, the following be added as a further proviso to clause 4 :

" Provided further that no part of such profits shall be allowed to be remitted or transferred outside India ".

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

That clause 4 stand part of the Bill. The motion was adopted. Clause 4 was added to the Bill.

MR. DEPUTY CHAIRMAN :

There are no amendments to clauses 5 and 6.

Clauses 5 and 6 were added to the Bill.

MR. DEPUTY CHAIRMAN : Now we take up clause 7. There is an amendment to it.

SHRI B. GUPTA : Sir, I move :

At page 3, line 7, for the word "five" the word "three" be substituted.

It is only to reduce the percentage on the cumulative preference shares. Here it is provided that 5 per cent, be given. I say it should be 3 per cent. It will not speak on this subject. The less the better, as far as these people are concerned.

MR. DEPUTY CHAIRMAN : Amendment moved.

At page 3, line 7, for the word "five" the word "three" be substituted.

SHRI T. T. KRISHNAMACHARI : I am not accepting the amendment.

MR. DEPUTY CHAIRMAN : The question is :

At page 3, line 7, for the word "five" the word "three" be substituted.

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

That clause 7 do stand part of the Bill.

The motion was adopted.

Clause 7 was added to the Bill.

MR. DEPUTY CHAIRMAN :

There are no amendments to clauses 8 and 9, and amendment No. 4 to clause 10 is consequential.

Clauses 8, 9 and 10 were added to the Bill.

MR! DEPUTY CHAIRMAN : There is an amendment for clause 11.

SHRI B. GUPTA : Sir, I move :

At page 5, line 1 — 3, the words "unless and until he is duly removed from his employment in the Iron and Steel Company or until; his terms and conditions of employment are duly altered by that Company" be deleted.

It is a losing battle, I know. Sir, clause 11 provides that every employee of the dissolved company "shall hold his office or service therein (Iron and Steel Company) by the same tenure and upon the same terms and conditions and with the same rights and privileges as to pension or gratuity as he would have held the same under the dissolved company if this Act had not been passed, and shall continue to do so unless and until he is duly removed from his employment in the Iron and Steel Company or until his terms and conditions of employment are duly altered by that Company."

We do not know what this "duly altered" business would actually mean. It is redundant. For prudence's sake, if not for the sake of good conscience, I think this is an amendment which should be accepted. Let the position remain at least as it is as regards the employees of the company. Let us not give the management any assurance whatsoever about altering the arrangements after the merger, so that in the name of duly made rules they can retrench people or take away any of the privileges which the workers have been enjoying. I think in the interests of the workers and of the employees of these two concerns and in order to relieve their anxiety and doubts, this amendment should be accepted. After all, it does not mean any addition, I may tell the hon. Minister : let him delete a little, if he cannot add a little.

MR. DEPUTY CHAIRMAN : Amendment moved :

At page 5, lines 1 — 3, the words "unless and until he is duly removed from his employment in the Iron and Steel Company or until his terms and conditions of employment are duly altered by that Company" be deleted.

SHRI T. T. KRISHNAMACHARI : Sir, the position is that this clause confers certain rights on people who

are now employed by the company that is to be dissolved. Naturally, when they become employees of the other company, they cannot have rights and privileges which are something superior to those enjoyed by the employees of the company with which SCOB now merges. Therefore, all that it provides is that until the merger their positions should be safeguarded, and once the merger is effected, they come to the same status as the employees of the Iron and Steel Company. If the amendment is accepted, these people who have gone from SCOB would be enjoying a superior position.

I would also like to mention in this connection that I had a chance of seeing the leader of the trade union which controls the workers of the Bumpore and Hirapur companies, and when I asked him if there was any retrenchment consequent on the merger I was assured by him that there was none to his knowledge. We also feel that the position of the employees as it is now is safeguarded. At any rate, it would not be right and proper for us to give these people any greater privileges than those enjoyed by the employees of the Iron and Steel Company. I must therefore decline to accept the amendment.

SHRI B. GUPTA : Then I take it from him that he has given an assurance that nothing will be done. I beg leave to withdraw the amendment.

The amendment was, by leave, withdrawn.

MR. DEPUTY CHAIRMAN : The question is :

That clause n do stand part of the Bill. The motion was adopted. Clause II was added to the Bill.

MR. DEPUTY CHAIRMAN : We take up clause 12.

SHRI B. GUPTA : Sir, I move :

At page 5, after line 12, the following be added as a proviso to clause 12 :

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"Provided that notwithstanding anything contained in any other Act for the time being in force, no director of the dissolved company who is not an Indian national shall be eligible for election or appointment as the director of the Indian Iron and Steel Company on or after the appointed day."

Sir, I move this amendment in all seriousness. *{Laughter.}* Because I will not withdraw it.

I must explain. The hon. Minister just said that he spoke for his country. That is what my amendment says. It also speaks for this country and for no other country. All that is suggested in this amendment is this, that no Britishers—as I have pointed out, there are quite a good many of them on the Board of Directors—should be eligible for reappointment on the Board of Directors of the Indian Iron and Steel Company after the amalgamation. I think this is very reasonable. I know many Members support me even on that side, but these sentiments, these ideas, should be given effect to. Why on earth, Sir, should we have these people as directors of the company ? Those who are already there, let them be there if you must. But do not take new people. If you cannot eliminate those who are already there, do not at least open the door for more to come in. You will argue that it is an amalgamated company and therefore they should come. Let the amalgamation at least begin anew. We should not put these British people on the Board of Directors and at least we should see to it that the number is reduced. If my amendment is accepted, those people will not be there. Otherwise I fear that they will also be there and the number of British directors i.e. to say, foreign industrialists, would tremendously increase. Therefore, I suggest that they should not be given any place. Others are there. The Indian nationals are there. If you like, take them on the Board of Directors. Why bring in these foreigners ? Ask them to do some other thing. If they do not like that let them go back to their own country and work there. After all we are putting our money, the money of the Government of India

[ Shri B. Gupta. ] —io crores of rupees. The Government of India becomes guarantor when they get money from the International Bank. That is how we are getting into financial commitments. Why should we allow these people to sit there when the public exchequer is liable ? Therefore, my very strong suggestion is this that they should not be given any place. If it is not possible to reduce their number under the existing law, then let us at least not bring new ones on the Board of Directors which will be newly created. I think this is absolutely patriotic and I think it only protects the interests of India and the Indian Union. Not only that, it will protect to some extent the interests of the Government, if the Government is keen to do something better for the consumers in this country. When they sit on the Board of Directors, I know what they do. We have got a lot of experience because we have been connected with a number of Unions. They do not at all consider the interests of India. When they talk, they talk in terms of their own interests. They think in terms of their own interests, which are totally alien to ours. They manage the affairs in such a way that our interests are not at all served and still you place them there. That should be totally avoided.

Therefore, Sir, I suggest that let there be no provision at all whereby the British directors of the amalgamated company can enter into this new Directorate. I think, it is time we bid them good-bye and see them off one by one and the sooner we do it, the better. Here is the occasion when the Government can control them and check them. And I hope the hon. Minister will accept my suggestion and prove his credentials that he is *an Indian*.

MR. DEPUTY CHAIRMAN :  
Amendment moved :

That at page 5, after *Vnc* 12, the following be added as a proviso to clause 12 :

"Provided that notwithstanding anything contained in any other Act for the time being

in force, no director of the dissolved company who is not an Indian national shall be eligible for election or appointment as the director of the Indian Iron and Steel Company on or after the appointed day".

The amendment and the clause are open for discussion.

SHRI T. T. KRISHNAMACHARI :  
Sir, I have already explained my position in this regard and I have nothing to add.

MR. DEPUTY CHAIRMAN : Does, the hon. Member press his amendment ?

SHRI B. GUPTA : Yes, Sir, I press it.

MR. DEPUTY CHAIRMAN : The question is :

That at page 5, after line 12, the following be added as a proviso to clause 12 :

" Provided that notwithstanding anything contained in any other Act for the time being in force, no director of the dissolved company who is not an Indian national shall be eligible for election or appointment as the director of the Indian Iron and Steel Company on or after the appointed day. "

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

That clause 12 stand part of the Bill.

The motion was adopted.

Clause 12 was added to the Bill.

MR. DEPUTY CHAIRMAN : Now there is no amendment to clause 13.

Clause 13 was added to the Bill.

MR. DEPUTY CHAIRMAN : Now we come to clause 14. There is one amendment by Mr. Bhupesh Gupta.

SHRI B. GUPTA : Sir, I beg to move :

That at page 6, after line 7, the following be added as new sub-clause (f) to clause 14 : —

"(f) for the security of service and for the welfare of the workers and employees of the dissolved as well as the Indian Iron and Steel Companies. "

Now, Sir, here is a rule making provision. This provision relates to certain matters about which the rules can be made by the company to facilitate amalgamation. Now, Sir, we want to ensure that the rules could be made for the security of service of the workers and for their welfare. There should be a provision of this sort. Now, all these provisions that are there, relate to the management side and the vested interests in the companies. There should, therefore, be certain provision which should also relate to the interests of the workers. Sir, at the fag end of the debate, when the Zero hour is approaching I have moved this amendment and I hope, to save time and also grace, the hon. Minister would accept it, after having given so much to the foreign interests.

MR. DEPUTY CHAIRMAN :  
Amendment moved :

That at page 6. after line 7, the following be added as new sub-clause (f) to clause 14 :

"(f) for the security of service and for the welfare of the workers and employees of the dissolved as well as the Indian Iron and Steel Companies."

The amendment and the clause are now open for discussion.

SHRI T. T. KRISHNAMACHARI : Sir, this object can be secured by this enactment and I do not think this amendment is necessary.

MR. DEPUTY CHAIRMAN : Does the hon. press his amendment ?

SHRI B. GUPTA : Yes, Sir.

MR. DEPUTY CHAIRMAN : The question is :

That at page 6, after line 7, the following be added as new sub-clause (f) to clause 14 :—

" for the security of service and for the welfare of the workers and employees of the dissolved as well as the Indian Iron and Steel Companies."

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

That clause 14 stand part of the Bill.

The motion was adopted. Clause 14 was added to the Bill.

MR. DEPUTY CHAIRMAN : Now clause 15. There is no amendment.

Clause 15 was added to the Bill.

MR. DEPUTY CHAIRMAN : Now clause 1 and the enacting formula.

There are no amendments.

Clause 1 and the Enacting Formula were added to the Bill.

MR. DEPUTY CHAIRMAN : Now the Preamble. There is one amendment, but that is consequential.

SHRI B. GUPTA : Sir, I want to move it. The reason is.....

MR. DEPUTY CHAIRMAN : All right move it.

SHRI B. GUPTA : Sir, I beg to move :

That at page 1, line 2 after the word "public" the comma and word, " workers" be inserted.

Sir, I would like to add the word "workers" also. That is because when you say "public and the Union", it becomes very vague. I would like to safeguard the interests of the workers, so that the amalgamation should in, no case bring any harm or cause any prejudice to the workers of either concern. Therefore, this amendment should be accepted. It is only an addition of one word and which is a very important word i.e. 'worker'. Therefore, Sir, I suggest that this should be accepted and the Preamble should be made a little more intelligible to the workers. It should be more definite rather than putting it in a vague manner : "public and the Union". That is no doubt good but we would like to safeguard the interests of those people who shall be actually producing the material. In view of that consideration, this amendment should be accepted, and the worker should be given a place in the Preamble itself

[ Shri B. Gupta. ] Let the Preamble declare, together with other things, that it safeguards the interests of the workers. I know, in the other provisions you have not safeguarded their interests. Even then this thing should be stated in the Preamble, so that some day, some other time,—when people will have a bigger say and Ministers will have changed their places,—such things may be looked after in a better way and workers' interests guaranteed.

MR. DEPUTY CHAIRMAN : Do you press ?

SHRI B. GUPTA : Yes.

MR. DEPUTY CHAIRMAN : The question is :

At page 1, line 2 after the word "public" the comma and word ", workers " be inserted.

The motion was negatived.

MR. DEPUTY CHAIRMAN : The question is :

That the Preamble stand part of the Bill.

The motion was adopted. The Preamble was added to the Bill.

SHRI T. T. KRISHNAMACHARI : Sir, I beg to move :

That the Bill be passed.

MR. DEPUTY CHAIRMAN : Motion moved :

That the Bill be passed.

SHRI B. C. GHOSE : Let us take it tomorrow.

MR. DEPUTY CHAIRMAN : If the House is agreeable, I would like to finish this.

SHRI S. MAHANTY (Orissa) : Sir, I want to speak.

MR. DEPUTY CHAIRMAN : Yes.

SHRI S. MAHANTY : Mr. Deputy Chairman, Sir, at the outset, I hope you would excuse me if I express an honest sentiment—and that is what I feel—that matters in this House are

being hustled through in a manner which is not commensurate with the vigilance that is expected of this House. The Constitution expects us .....

MR. DEPUTY CHAIRMAN : Please speak on the Bill.

SHRI S. MAHANTY : Yes, Sir, I am coming to the Bill. The Constitution expects us to be very vigilant in our deliberations and in our discussions.

But we find that we are more hasty than the House of the People.

Now, coming to this Bill, I have to say that while listening to the debates over this Bill, a forgotten chapter of Indian history was being unravelled before my eyes. Sir, we were nurtured in the tradition of a struggle against the British imperialism and as a humble Indian.....

MR. DEPUTY CHAIRMAN : Mr. Gupta has done full justice, Mr. Mahanty. You were not here. He has taken fifty minutes.

SHRI S. MAHANTY : Might have.

MR. DEPUTY CHAIRMAN : All right, you go on.

SHRI S. MAHANTY : Sir, in that struggle, there was only one cry raised. It was not raised by us. We were merely followers. It was raised by the great leaders who are now represented by the Members of the Opposition. That cry was that the British Imperialism, through exploitation, was bleeding the country white—and imperialism was being utilized as a weapon to keep the Indians in bondage in perpetuity. Now, whatever Mr. Gupta might have said, in those hectic days of 1942, the days of the Quit India movement, I had to quit the University, because I also joined in that revolt against colonial exploitation. I cannot forget that chapter today so easily. But today, though the British left us, we find the Indian capitalists setting up many industrial concerns in collaboration with the British. Well, Sir, if you permit me to say so, it is a

treachery, a stab behind the back of the liberated India.

Now, here are two foreign concerns which are mostly owned by the Britishers. Now, the Government of India is going to guarantee the loans that these concerns.....

MR. DEPUTY CHAIRMAN : Mr. Mahanty, you are only repeating the arguments that have been said by the three speakers. You were not here at the time.

SHRI S. MAHANTY : The limit between repetition and emphasis is delicate.

MR. DEPUTY CHAIRMAN : You can talk anything you like, but do not repeat things.

SHRI S. MAHANTY : The difference is too delicate.

MR. DEPUTY CHAIRMAN : It is a matter of interpretation, and I am here to decide it, and I do not allow any repetition.

SHRI S. MAHANTY : So, I do not understand why this new firm that is going to be formed out of the amalgamation of the two companies is not nationalized. Sir, as we know, in India there is at present great demand for Iron and Steel. This industry occupies a very vital position in the defence of the country. Here, we are passing the industry into the hands of a set of persons whom we cannot look upon with great confidence. Now, there are great potentialities for the development of Iron and Steel in this country. Even in the Planning Commission's Report, the debate over which has been just finished, we might have noticed that they have emphasized that the Iron and Steel Industry should be developed in the public sector as a nationalised concern. With that end in view they have made a provision for this Industry for which the Indian Government is going to contribute a substantial amount. Therefore, I fail to understand why instead of promoting that Steel plant as contemplated

by the Planning Commission, the Government is lending a considerable amount to a Foreign Firm and guaranteeing to foreign loans.

Sir, I might here draw the attention of the hon. Minister for Commerce to the fact that out of the total output of Iron and Steel in this country, the bulk of it is derived from Orissa. Sir, we have got iron ores in our parts with iron ingredients of above 60%. I think instead of supporting those people who were exploiting the country, once, we should set up our own indigenous factories.

It has been said that this is in the interests of the public. I fail to see what direct interest will accrue to the consumers. So far as I know iron ores which are taken from our parts at the rate of 2 annas per ton, are again sold to us at the rate of something like Rs. 550 per ton. Therefore, I do not know what direct benefit will come to the consumers of India. And then, when the Indian Government is going to guarantee the foreign loan, for this company, it should be borne in mind that the Indian taxpayers, the Indian Parliament and the Indian Government are all going to be committed by this Bill. Therefore, in fairness to all, I would plead that there should be a definite assurance from the Government given that hereafter the price of Iron and Steel will not go up.

Secondly, in regard to this Iron and Steel industry this morning I had an opportunity of meeting a gentleman from the U. S. A. He was telling me that in U. S. A. workers in Iron and Steel industry get Rs. 10 an hour. The wage in Germany is of the order of Rs. 2 per hour. He was telling me that even though the iron and steel industry in Germany is the best, still America is in a position to produce iron and steel goods far cheaper than Germany. But what do we find here ? What is the position of workers ? I have been to Jamshedpur and have seen the ill paid workers there. Now, are we going to do anything for these poor under-paid workers ? When you say look after the interests of the public,

[ Shri S. Mahanty. ] first thing is the consumer should get the benefit, the prices of steel goods should be lowered down, then, the workers should be benefited. In the second place, it should be borne in mind, that the money, the spare money, that the Government could afford for this purpose should, instead of going to a foreign firm, be given for promoting the indigenous iron and steel industry, and I do hope Government will take note of it. With the character and complexion of this house, this Parliament, anything is carried by a majority. But at the same time, it should be borne in mind that everything that gets the support of the majority is not necessarily good for the well-being, of the nation as a whole.

MR. DEPUTY CHAIRMAN : The hon. Minister.

SHRI T. T. KRISHNAMACHARI : I have nothing to say.

MR. DEPUTY CHAIRMAN : About Orissa at least you can say something.

SHRI T. T. KRISHNAMACHARI : I do not want to say anything further. The hon. Member has visited Jamshedpur and other places and has seen the workers. I am proud of it. As regards Orissa, if my friend wants a factory in Orissa, all I can say is that I will tell my colleague Shri K. C. Reddy about it, when the new plant is established. I think he will be glad to do it.

MR. DEPUTY CHAIRMAN : The question is :

That the Bill be passed.

The motion was adopted.

**MESSAGE FROM THE HOUSE  
OF THE PEOPLE**

**DELIMITATION COMMISSION BILL,  
1952.**

Mr DEPUTY CHAIRMAN : There is a message from the House of the People.

SECRETARY : Sir, I have to report to the Council the following message received from the House of the People signed by the Secretary to the House :

" In accordance with the provisions of rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the Delimitation Commission Bill, 1952, which has been passed as amended by the House at its sitting held on the 19th December 1952 ".

I lay the Bill on the Table.

MR. DEPUTY CHAIRMAN : Before we adjourn I have to announce that this Delimitation Commission Bill will be taken up tomorrow, and in case we are unable to finish it tomorrow, the Bill will be taken up on Monday.

SHRI S. MAHANTY (Orissa): Sir, I would urge not to take up this Bill tomorrow.

MR. DEPUTY CHAIRMAN : Copies have been circulated. The Select Committee Report has been circulated. We will have to take it up tomorrow.

The House stands adjourned till 10 o'clock tomorrow morning.

The Council then adjourned till ten of the clock on Saturday, the 20th December 1952.